AMERICAN CATTLE PRODUCER

Volume XVI | DENVER, COLORADO | Number 10

MARCH 1935

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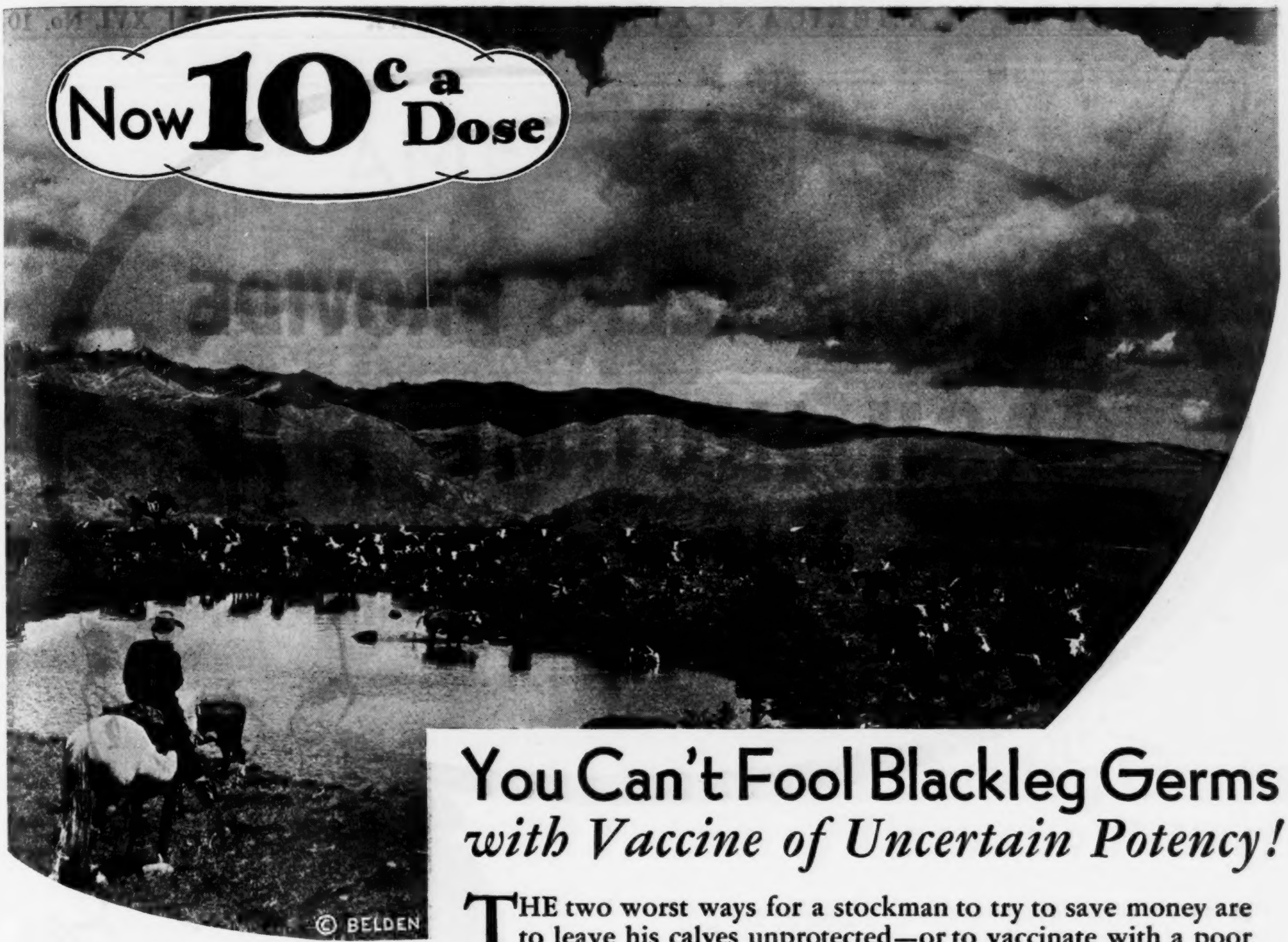

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THE AMERICAN CATTLE PRODUCER

Volume XVI DENVER, COLORADO, MARCH, 1935 Number 10

Hog Production Centers in United States, 1840-1930*

HOGS WERE NOT NATIVE TO THE AMERicas, but were brought to the Gulf coast by the early Spanish explorers. From the commercial standpoint, though, the importations to the New England colonies and Virginia, early in the seventeenth century, were more important. Taking advantage of the Civil War in which the British Empire was engaged, the American colonies wrested from the English a large share of the West Indian pork and provision trade, and the business thus established has persisted in increasing, though varying, dimensions up to the present.

The Ohio Valley was settled following the War of Independence, offering splendid advantages for the agricultural migration which took place at that time. The farm production which ensued resulted in making the Ohio and Mississippi Rivers the main trade channels for live stock and its products, with Cincinnati the center of pork-packing. The agrarian movement did not stop in the Ohio Valley, however, but continued westward, so that, after the Civil War, Chicago became the leading hog market for the Middle West. A little later the markets along the Missouri River developed to take care of the ever-increasing hog supply from the farms bordering the western plains.

Since 1840 regular hog-census data have been compiled from which the westward movement of hog production may be calculated. Figure 1 indicates that hog production has been closely related to the migration of our American population. The approximate centers of hog production and human population on the basis of each census are shown in their westward

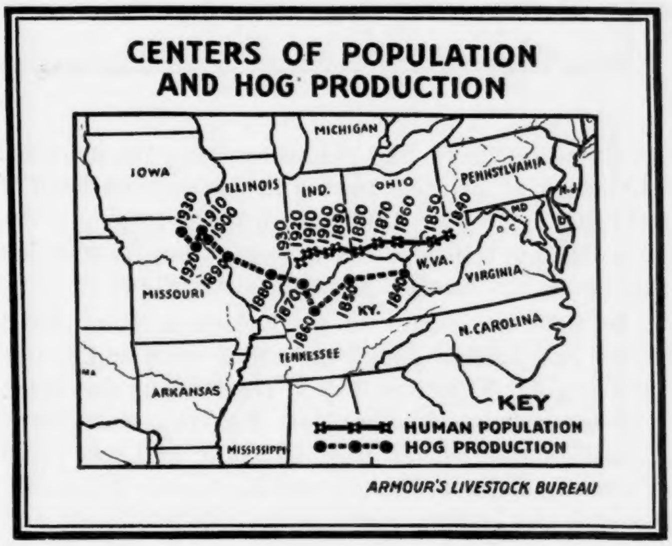

FIGURE 1

march. The rate of movement of swine population was in proportion to that of human population from 1840 to 1890, but in later years the swine centers moved more rapidly.

Early Hog Censuses

Detailed data on the swine industry were not available until 1840. At that time, New York, Ohio,

*Reprinted, with permission, from the *Monthly Letter to Animal Husbandmen*, published by Armour's Live Stock Bureau, Chicago; Edward N. Wentworth, director.

(Published at 515 Cooper Building, Denver, Colorado, by the American National Live Stock Association Publishing Company. Entered as second-class matter June 11, 1919, at Post Office at Denver, under Act of March 3, 1879. Acceptance for mailing at special postage provided for in Section 1103, Act of October 3, 1917, authorized on September 21, 1921. Subscription price: United States, $1.00 a year; Canadian and foreign, $1.50.)

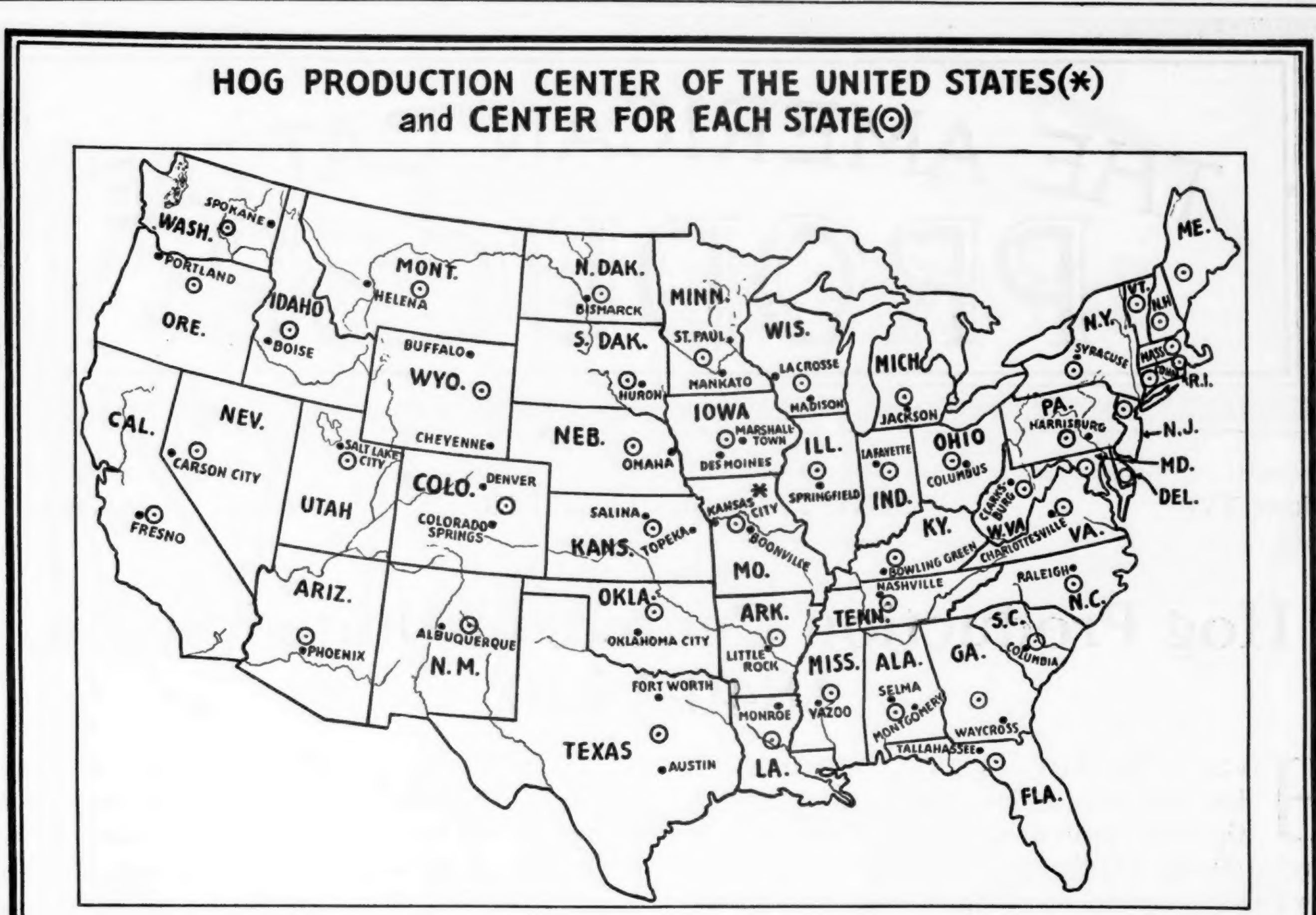

FIGURE 2

Virginia, Kentucky, and Tennessee were the principal hog states, all of them having in the neighborhood of 2,000,000 or better. Tennessee was the leading state, with 2,926,607 head. The center of hog production was in eastern Kentucky, as shown in Figure 1.

In 1850 the center of production in the United States had shifted about 100 miles west and a few miles south. This was due to tremendous decreases in swine-growing in the New England and North Atlantic states as far west as Ohio, and the rapid increase in Indiana, Illinois, and Missouri. Tennessee was still the leading state, with 3,104,800 head, and the southern displacement was caused by the rise of the Carolinas, and especially Georgia and Alabama.

The eighth census, in 1860, was extremely significant. The center of hog production had moved some eighty miles southwest, due to the great increase in Texas and California, and the continued decrease in the manufacturing states of the Northeast. The South had already begun the diminution, which in after-years was attributed to the war. Tennessee dropped to 2,347,321 hogs in this decade, while Indiana became the premier swine state, with 3,099,110 head. Kentucky decreased 500,000 and Alabama, Georgia, the Carolinas, and Virginia another 500,000. The Corn Belt made liberal gains in this decade, Missouri and Iowa increasing over 600,000 head, while Indiana gained 800,000 and Illinois nearly 600,000 animals.

Hog Production After the Civil War

The Civil War made possible the almost directly northward displacement of the center of production by 1870. Ohio and Indiana lost a total of 1,700,000 hogs, while Illinois, Michigan, and Wisconsin picked up about 400,000. Iowa equaled the total of these four states, while Minnesota for the first time became a factor in influencing the hog trade. Illinois was the banner hog state during this census, while California and Texas showed decreases. The northeastern states continued to decline, while the southern states east of the Mississippi and south of West Virginia and Kentucky lost about 6,000,000 head. Not all of this was due to the war, as was noted in the previous paragraph. Much of this decline was due to the fact that the southern states were consistently overstocked with hogs in relation to their population, and had no means of broadening their outlet for pork products.

The westward shift from 1870 to 1880, and 1880

to 1890, is directly traceable to the rise of Iowa, Missouri, Nebraska, and Kansas, although the Pacific coast had begun to pull on the center. Iowa assumed the lead in hogs in 1880, and has never since yielded it. The slower westward movement just before 1900 was due to the recovery of the southeastern states, as was the southern shift from 1910 to 1920. The westward movement from 1900 to 1910 was a result of the settling of the West and Northwest, and the inroads of the farmer into the old range country. From 1920 to 1930 the most characteristic trend was the advance of hogs and cattle into the northwest grain fields.

Proportion of Swine to Human Population

While the foregoing dicussion tells of the broad movements, there are many detailed phases of this study that demand further treatment. Table I shows

TABLE I

NUMBER OF SWINE PER ONE HUNDRED INHABITANTS
(1930 Census)

Iowa	407	Virginia	29
South Dakota	380	South Carolina	27
Nebraska	340	Texas	27
Kansas	131	North Carolina	26
Minnesota	129	Nevada	25
Missouri	106	Oregon	24
Indiana	103	New Mexico	15
North Dakota	94	Delaware	13
Illinois	61	Maryland	13
Idaho	60	Utah	13
Wisconsin	55	West Virginia	13
Georgia	47	Michigan	12
Oklahoma	44	Washington	12
Wyoming	43	California	11
Arkansas	42	Vermont	8
Ohio	42	Pennsylvania	7
Kentucky	40	Maine	6
Florida	39	Arizona	5
Montana	39	New Hampshire	3
Tennessee	38	New Jersey	3
Louisiana	36	Connecticut	2
Mississippi	36	Massachusetts	2
Colorado	35	New York	2
Alabama	31	Rhode Island	0.7

United States Average 46

the number of swine per one hundred inhabitants, by states. It illustrates how the surplus-producing states are located in the Middle West, with an extension up into the Northwest, while the regions of deficient local supply are found particularly in the industrial states of the East, but also in the Far West.

Geographical Regions and Hog Production

While the data as to states provide striking indicators of surplus hog production, the picture is somewhat clearer if the different regions of the country are grouped by states. The geographic divisions listed in order according to swine population, as reported in the 1930 census, as well as the human population for each group, appear in Table II:

TABLE II

Geographic Division	Hog Population 1930	Human Population	No. Hogs per 100 Human Population
West North Central	27,649,800	13,296,915	208
East North Central	12,985,516	25.297,185	51
South Atlantic	4,393,216	15,793,589	28
West South Central	4,148,271	12,176,830	34
East South Central	3,600,864	9,887,214	36
Mountain	1,217,260	3,701,789	33
Pacific	1,058,605	8,194,433	13
Middle Atlantic	1,006,573	26,260,750	4
New England	227,815	8,166,341	3
Total	56,287,920	122,775,046	46*

*Based on 1920 census, the hog supply for the United States as a whole was 56 head of hogs per 100 human population.

Hog Production by States

The principal hog states, according to the last census, are shown in Table III:

TABLE III

State	1930 Census No. of Head	% Change in Ten Years	1920 Census No. of Head
Iowa	10,055,591	+27.9	7,864,300
Nebraska	4,679,161	+36.2	3,435,000
Illinois	4,651,772	+ 0.2	4,639,182
Missouri	3,861,240	— 0.7	3,888,677
Indiana	3,347,256	—10.9	3,757,135
Minnesota	3,315,466	+39.2	2,380,862
Ohio	2,777,938	—10.9	3,083,846
South Dakota	2,637,188	+34.9	1,953,826
Kansas	2,473,084	+42.7	1,733,202
Wisconsin	1,611,993	+ 0.9	1,596,419
Texas	1,561,461	—29.9	2,225,558
Georgia	1,357,400	—34.5	2,071,051

(Tennessee ranked eleventh in hog population in the 1920 census, but in 1930 took fifteenth place; therefore it does not appear in the table.)

The largest increases in hog production during the decade 1920 to 1930 seem to have taken place in Kansas—43 per cent; Minnesota, 39 per cent; Nebraska, 36 per cent; South Dakota, 35 per cent; and Iowa, 28 per cent. The most radical reductions in that time among these states appear in Georgia—35 per cent, Texas, 30 per cent; Indiana, 11 per cent; and Ohio, 10 per cent.

Iowa still retains the lead which she gained in 1880, although Kansas, Minnesota, Nebraska, and South Dakota made larger percentage gains in this decade. Nebraska moved from fifth place in 1920 to second place in 1930; Minnesota, from seventh to sixth; South Dakota, from tenth to eighth; and Kansas, from twelfth to ninth. Texas fell from eighth place in the 1920 census to eleventh place in 1930; Georgia, from ninth to twelfth; while Indiana and Ohio fell from fourth and sixth places, respectively, to fifth and seventh places.

Regional Changes in Hog Production

Thus the largest increases have occurred in the West North Central division—an increase of 27 per cent over 1920. The heaviest decreases took place in Georgia, of the South Atlantic group, and Texas, of the West South Central group, with decreases of smaller proportions in Indiana and Illinois, of the East North Central division. To summarize the changes in these four divisions (which include, on the average, 83 per cent or more of the country's hog numbers), there is a net gain of 2 per cent indicated between 1920 and 1930.

1930 Center of Swine Production

These changes in the number of hogs raised, resulting from attempts at adjustment to local conditions and the general economic situation, have resulted in the changes of the center of production. The central point for hog numbers, based on the 1930 census, is located approximately two miles north of Sigsbee, Missouri, in the northeastern corner of Shelby County. This means that it has moved about 36 miles west and 40 miles north during the 1920-30 decade. Throughout this period the center of human population moved 22.3 miles westward and 7.6 miles southward, the present location being 2.9 miles northeast of Linton, Indiana, in Greene County.

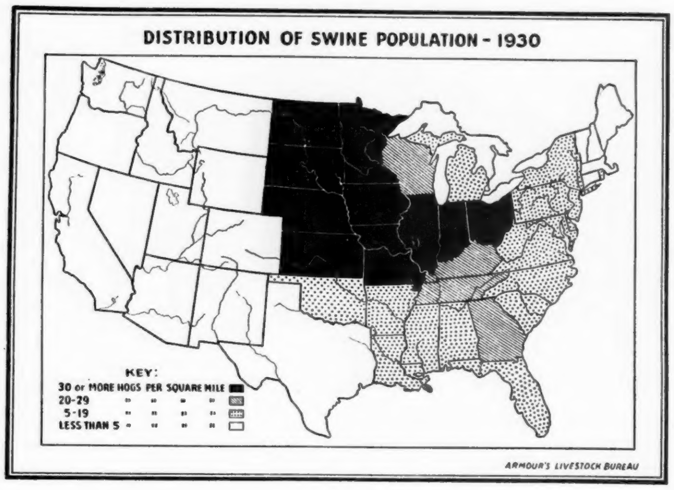

FIGURE 3

Decrease from 1920 to 1930

Between the two censuses of 1920 and 1930 our hog population decreased about 5 per cent. Unquestionably this decrease reflected two factors—the disappearance of the war efforts toward hog production in the United States, and the declining export trade in pork.

The decrease in hog population in the United States between the last census dates amounted to 5.1 per cent for the country. The number of head available for each 100 people decreased from 56 to 46. That this decrease had no ill effect on our American consumers was accounted for by the number of hogs in our 1920 export trade. The changes are reflected in profound geographical shifts in the industry. Radical decreases appeared in the Cotton Belt states, as well as in Maryland, Pennsylvania, Kentucky, and several of the New England states. New York State has had a 63 per cent reduction, probably brought

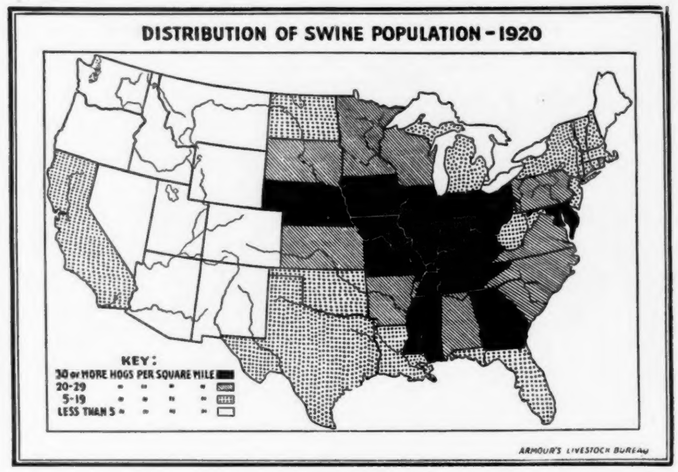

FIGURE 4

about by the crowding of western pork previously exported into the population centers of the state. Decreases on a percentage basis in the western part of the country are most marked in Arizona, Utah, Washington, and California.

Regions of Increasing Production

On the other hand, there have been notable increases in the West North Central states. Minnesota, North Dakota, South Dakota, Nebraska, and Kansas, of this group, all exceeded gains of 30 per cent, the latter state increasing about 43 per cent. Wyoming and Montana, in the Mountain states, scored gains of 36 and 26 per cent, which, along with smaller gains in Idaho and Colorado, have more than offset the heavy losses previously mentioned for this section.

These shifts are shown clearly in Figures 3 and 4. The picture is changing under the stress of the general economic situation of recent years, and the effect of the drought and the government crop control. However, until figures comparable with the census data are available, future moves of hog-production centers are uncertain.

Britain Further Restricts Imports of Cured Pork

The amount of cured pork that may be imported into the United Kingdom from foreign countries has again been cut. The United States will be permitted to supply approximately 16,721,000 pounds during the first four months of 1935.

FUTURE PROBLEMS OF LIVE-STOCK INDUSTRY IN WEST *

BY G. B. THORNE

Principal Agricultural Economist, Agricultural Adjustment Administration, Washington, D. C.

THE YEAR 1934 WILL GO DOWN IN HISTORY AS ONE of the most critical ever experienced by the live-stock industry. It was made severe for cattle- and sheepmen, not only because of the unprecedented drought, but also as a result of the status of the industry when the drought began to take its toll. We had experienced four years of economic depression, which had reflected itself in the live-stock industry through an almost uninterrupted decline in prices, as well as in the increasingly heavy burden of fixed charges borne by many producers. In resisting the declining level of values, producers withheld their live stock from the market. Thus we entered the year 1934 with excessive supplies as well as a continued weak consumer demand. Cattle numbers had increased to the point where our calf-producing plant was the largest on record, and sheep numbers also were near the peak of a production cycle. A worse year for the live-stock industry to experience a drought of such proportions would have been difficult to imagine.

During the last six months, live-stock producers, as well as government agencies working in their interests, have been concentrating attention on relieving the current situation created by the drought. They have sought to bring about better balance between live-stock and feed supplies. We are now reaching the point, however, where almost everything has been done that can be done to solve this phase of the problem. The time has now arrived when we should begin to appraise the consequences of the drought, and the activities that have been necessary as a result of it, and try to foresee some of the major industry problems that are ahead.

It is no doubt impossible to see, even in outline, some of the problems of the next two or three years. There probably is considerable difference of opinion as to the consequences of the developments of the past year. However, it is not too soon to begin talking about them in an effort to foster a consensus of opinion, and to take steps to meet the situation, so far as possible, through individual and collective action.

Cattle

One thing is certain: The live-stock population of the United States has been materially reduced during the past twelve months. The Bureau of Agricultural Economics estimates that cattle numbers have been reduced about 7,600,000 head†, which means that three-fourths of the increase from the low point of the production cycle in 1928 has been eliminated within a single year. Federally inspected slaughter of cattle and calves in 1934, excluding government slaughter, was about 2,500,000 head, or about 18 per cent larger than in 1933. Non-inspected commercial slaughter probably increased in about the same proportion. Government purchases in 1934 totaled approximately 8,000,000 head. The proportion of cows and heifers in commercial slaughter was unusually large, about 80 per cent of the cattle purchased by the government being cows and heifers. Thus the reduction of cattle numbers on farms and ranches was largely in female cattle.

In contrast to the usual liquidation of cattle numbers, the geographical distribution of the reduction in 1934 was very uneven. This has an important bearing upon some of the problems that will develop in the near future. There was only a 2½ per cent decrease in the cattle population in the area east of the Mississippi River, whereas west of the river the reduction amounted to about 16 per cent. In the Dakotas, numbers were reduced one-third from those of a year ago. In the intermountain and Pacific states the total reduction was smaller, even though in some sections of that area the reduction probably was nearly as large as in the Dakotas.

Sheep

Sheep numbers also were reduced in 1934, and, as in the case of cattle, the bulk of the reduction occurred in the western states and in the areas of the Corn Belt where the drought was most acute. The reduction in sheep numbers was about 2,500,000 head for the country as a whole.

In view of the fact that the live-stock population remaining on farms is still large, in relation to the amount of feed available to carry it through the winter, and since live stock generally went into the winter in the poorest condition in many years, the percentage of calves and lambs dropped in the spring, which will be saved, is likely to be unusually small. Thus, the reduction in both the calf crop and the lamb crop this year will come about both as a result of reduced breeding-stock supplies and of a reduction in the percentage of the young stock that is saved. Weather conditions and the feed situation in large areas during the remainder of the winter will have an important bearing upon what the toll from death-losses will be. Severe weather conditions from now until spring could easily bring about a heavy mortality.

Hogs

Hog supplies, which usually provide more than half the meat produced in the United States, also have been very sharply curtailed as a result of the adjustment program and the drought. The 1934 total pig crop was about 35 per cent smaller than that of 1933, and a further decrease in the pig crop next spring is indicated by the December pig survey. Numbers on farms January 1, 1934, totaled about 57,000,000 head. On the same date this year, numbers were around 37,000,000 head.

As a result of the adjustment program and a relatively unfavorable hog-corn price ratio, the reduction in hog supplies began last spring before the drought developed. This made for a much more orderly liquidation in the hog industry than would otherwise have been the case. With the corn crop harvested for grain cut in half, a much larger market supply of hogs in 1934 would have been inevitable if there had been no adjustment program. This would have been reflected, not only in hog prices, but in prices of other live stock as well. Furthermore, the reduced spring farrowings released a substantial quantity of corn for live stock at a time when it was badly needed.

The reduction in corn acreage under the corn-hog program was responsible for only a small proportion of the total reduction in feed production in 1934, because of the low yields of corn per acre and the use of the contracted acres for the production of emergency forage crops; so that, from the standpoint of the availability of feed supplies, the reduction

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*Address delivered at the thirty-eighth annual convention of the American National Live Stock Association, held in Rapid City, South Dakota, January 9-11, 1935.

†The figures on live-stock numbers have been revised to correspond with official estimates of the Department of Agriculture, which were released on February 15.

in hogs under the program much more than offset the reduction in feed under the program.

Future Prices

The marked changes in live-stock supplies are expected to result in materially higher prices of all kinds of live stock in 1935. Some rise in prices already has occurred as supplies have decreased during recent weeks. Peak prices for the year, however, are not likely to occur before late summer and autumn. If normal weather conditions are fairly general during the year, feed supplies next fall are likely to be plentiful and low in price in relation to live stock. With live-stock numbers at a low level, this situation probably will create an improved demand for stocker and feeder cattle in the Corn Belt, and a better demand for breeding cattle throughout the western half of the United States. Such an increased demand, along with small slaughter supplies, would mean materially higher prices for all cattle, especially the lower grades; and prices of cattle in the West will likely be high in relation to prices of cattle on the market, since producers in all areas where breeding stock has been depleted, and where pastures and ranges recover, will begin to replenish their breeding herds.

This, of course, depends upon the extent of precipitation during the winter and spring. As you know, there is still a considerable deficiency in moisture in most of the western states, and the extent to which range conditions will be restored is uncertain. So far as the Corn Belt is concerned, records over the last seventy-five years indicate that the chances for a drought in 1935 are not increased by the fact that there was a drought in 1934. In years following other severe droughts, the tendency has been for yields of cultivated crops to return to normal or above. The recovery of pasture and hay supplies in the Middle West, however, will be slower, due to the severe drought damage to permanent pastures and meadows, and to the scarcity of grass seed.

The extent to which live-stock prices may rise in 1935 will be determined in part by the trend of business conditions, since the income of industrial workers is a major factor affecting live-stock values. Substantial price advances are likely to occur, however, if industrial conditions are at least maintained.

Rebuilding Depleted Herds

The probabilities of higher prices should offer much encouragement to live-stock owners from the standpoint of prospective financial returns, not only for 1935, but for a few years thereafter as well. Naturally the significance of a higher level of prices will vary greatly between regions, and between producers within each region, and some important problems for the live-stock industry in the West will arise therefrom. The producers who have been able to retain a major portion of their herds in most cases will be in a very favorable position, but those producers who have been forced to liquidate a major share or all of their foundation stock will not welcome higher values, because of the financial difficulties to be encountered in building back their herds. Far more producers will be in this group than has ever before been the case following periods of liquidation. With the conditions so prevalent as to involve a majority of producers in some states, it will become an industry problem. Hence it may be found desirable for the industry to develop ways and means of facilitating the efforts of cattlemen in depleted areas to build back their herds.

Expansion Control

The stimulus to increased production which will come with higher live-stock prices and plentiful supplies of feed is also likely to initiate a major upward swing in a cattle-production cycle. In view of the prospects for a small calf crop in 1935, and for higher cattle prices during the year, an increase in total numbers on farms and ranges is not likely to occur before 1936, but a sharp increase which might get under way during that year could easily result in overexpansion a few years later. Hence the industry might well give consideration in the near future to the advisability of taking steps to prevent overexpansion, rather than wait until excessive supplies exist before taking action.

The problem of determining how much expansion in cattle numbers from present levels could be permitted before an oversupply would exist is a very difficult one, especially since we do not know what demand conditions will be three or four years from now. Under normal conditions of consumer demand and feed supplies, some expansion in numbers from the present level would be warranted. Considering the length of time that it will be necessary to expand production, it is possible that for a few years economic recovery may bring about enough improvement in consumer demand for meats to encourage considerable expansion of numbers and still have prices maintained near the level that is likely to prevail in 1935. There is a real danger, however, of production eventually expanding to the point where returns to producers will be unfavorable, and a period of liquidation will be necessary, as has been the usual sequence of events in the industry over a long period of years.

There are obviously several courses that can be followed in this connection. One would be to inaugurate, within the next year or two, a production-control program which would provide for some expansion for the industry as a whole from the present level, but would limit the extent of the increase in numbers. Another method which could be followed would be to leave production unrestricted for at least the next year or two, since excessive supplies are now eliminated, and there is considerable question as to what will be the most desirable level of production several years from now.

Still another alternative would be to concentrate attention on the use of land, which would call for control of grazing in the western states on private and state-owned land, as well as nationally owned land, and the formulation of programs for the eastern sections of the country that would prevent land from being cropped so intensively as has been the case during most of the post-war period.

The Agricultural Adjustment Administration has no preconceived views as to which of these policies, if any, should be adopted by the cattle industry. In the first place, it is still too early to appraise the full effects of the drought, although it is quite apparent that the consequences will be felt for several years to come. In the second place, the administration will continue to follow the policy of being guided by producers in the adoption of adjustment programs.

Co-operation Clause

In this connection, I should like to clarify the position of the Agricultural Adjustment Administration with respect to the clause included in the emergency cattle agreement, requiring the co-operation in future cattle adjustment programs of producers selling cattle to the government in the drought program. I believe that most producers understand the reason for the inclusion of this clause in the agreement, but, since

there has been considerable comment in regard to it during recent months, the explanation will perhaps bear repetition.

As you well know, plans for a cattle adjustment program were recommended to the department by the cattlemen's Committee of Twenty-five about the middle of May. These plans called for a downward adjustment of cattle numbers, and the development of contracts with individual cattle-growers by which they would agree to adjust production and qualify for benefit payments from the government. This pending program, based on recommendations of the cattle-producers' committee, prompted the origin of the much-discussed clause which pledged farmers selling cattle to the government to co-operate in future adjustment plans.

At the time the drought first developed, it was not known how long it would continue. In fact, it might have broken, without serious national effects, almost any day. An understanding was reached between the committee of producers and officials of the Adjustment Administration that aid would first be rendered to cattle-producers in the drought territory, and that the formulation of details of the adjustment program would be postponed until the consequences of the drought could be adequately determined. Therefore, at the beginning, the buying program was considered as a joint measure of drought relief and production adjustment. We wanted to be in a position where, if the drought did break, it would be possible to swing back into a cattle adjustment program without unnecessary confusion and delay.

The co-operation clause, therefore, was not designed to coerce the cattle industry into some future adjustment program which producers did not want, but to correlate emergency plans with the program recommended.

Officials of the Agricultural Adjustment Administration know full well that no adjustment program can succeed if it does not have the approval of an overwhelming majority of the producers. The policy of the administration will continue to be to adopt no program that lacks the approval of growers themselves. If producers do not recommend or approve an adjustment program for cattle before June 1, 1936, the requirement for co-operation, as contained in the emergency cattle agreement, will be null and void.

In the meantime, the clause has made it possible for us to keep faith with the cattle-producers' committee by providing the necessary means of keeping the two programs dovetailed. It also provided ample administrative justification for making to producers "benefit payments" which were free from claims of lien-holders, so that the payments could be used by the producers as they saw fit, no matter if the stock was mortgaged beyond its full value.

Better Herds

One of the bright spots for the cattle business which have grown out of developments in 1934 is the progress made in eliminating inferior and diseased animals from the herds of the country. Those who have sold cattle to the government have tended to sell the old and inferior animals and retain the better cattle in their herds. Important progress also has been made in the removal of cattle with tuberculosis, infectious abortion, and other diseases, through the government's disease-eradication programs. All these accomplishments should make for more efficient production. Furthermore, the culling aspect of the drought buying program offers an opportunity for considerable progress in improving the quality of production. This offers a challenge to the industry to hold the gains that have been made and to continue the improvement. When owners begin rebuilding their breeding herds, it is hoped that they will not lose the ground gained by accumulating animals of inferior quality, in their efforts to get back to their usual stride in the cattle business. The reputation for the production of high-quality stock which some outfits and some areas in the West have established during recent years has reaped dividends through better outlets in Corn Belt feedlots and on the slaughter markets. It seems logical that a similar advantage could be gained in much of the western cattle country.

The problems which I have mentioned, and perhaps many others, may become of increasing importance to the industry in the near future. They may or may not be of such a nature that material assistance can be rendered through the facilities of the Agricultural Adjustment Administration. I am sure that the Adjustment Administration would favor a meeting of cattle-producers representing all sections of the country some time within the year, for the purpose of considering the factors that are affecting, or will likely affect, the industry, and the possibilities of aid being rendered under the Agricultural Adjustment Act. However, whether or not an adjustment program should be adopted is a matter for producers themselves to decide.

I have one other comment to make. Just before I left Washington I had an opportunity to talk to Chester Davis about some of the problems which I have discussed today. I told him that perhaps one question that would be in your minds—and one that we should clarify to such extent as we could—was the probability of a processing tax being levied on cattle. I asked him what to tell you in answer to that question, and he told me to say that at this time there is no contemplation in Washington of levying a processing tax on cattle. Some time during the year, possibly Mr. Davis would have the producers' Committee of Twenty-five assemble to discuss the problems facing the industry and to make a decision as to whether or not there should be an adjustment program, and that would naturally involve a decision as to what the policy would be with respect to a processing tax. Until such a meeting was held it was not his intention to make a decision as to the levying of a processing tax.

NEW GRAZING FEES

FEES TO BE CHARGED FOR GRAZING LIVE STOCK on the national forests for the 1935 season have been announced by Secretary Wallace.

Based upon the average market price received by livestock producers over a term of years, fees for each season are adjusted upward or downward in accordance with the trend of market prices received by producers in the eleven western states. On that basis, fees for cattle during 1935 will average 8 cents a head per month—an increase of 7 per cent over the 1934 rate. Fees for sheep will average 2.7 cents a head per month, which is 14 per cent higher than in 1934. These changes reflect corresponding increases in the prices of beef cattle and lambs in the eleven western states during 1934. The prices received by producers in 1934 in the eleven western states, weighted by months, upon which the fees are based, were as follows:

Beef cattle	$3.76 per 100 pounds
Lambs	5.51 per 100 pounds

The new fees represent a reduction of 46.6 per cent from the basic fee in the case of cattle, and 39.7 per cent from the basic fee in the case of sheep.

WHAT PROPER CREDIT CAN DO FOR THE LIVE-STOCK INDUSTRY*

BY JAMES LEMMON

Lemmon, South Dakota

THE SUBJECT OF CREDIT IS ONE UPON WHICH IT is very difficult to speak, as it lends itself poorly to dramatization, although it is loaded with more destructive dynamite than possibly any of the other factors that make up our economic structure. It causes more suffering, hardship, and privation, and wrecks more families, than perhaps all other agencies combined. However, if it is properly administered, I believe it can do much to stabilize the situation, and it might greatly minimize the chaotic conditions through which we have just been passing—possibly almost eliminate them.

This being an open meeting for theories and theorists, you will, I hope, permit me to speak on the subject of "What Proper Credit Can Do for the Live-Stock Industry." That title alone would indicate that I feel that we who are in the business have failed in the trust that has been given to us. For twenty-five years I have been actively associated with the live-stock and live-stock loan business, and, as I think back, I cannot see that there has been any great change, until the past few years, in the general methods and policies of loaning money.

Look at the other side of the picture and see what tremendous progress has been made in other industries. I am not going to deal with this subject particularly as it relates to its effect on the individual borrower; I am going to try to deal with it as it affects the industry as a whole. Of course, the two are inseparable, and the illustrations that I give will deal mostly with the individual.

Responsibilities of Money-Lenders

First, I am bearing in mind that we, as money-lenders, cannot deny responsibility for the accumulated results of our policies. As, I believe, something in the neighborhood of 90 per cent of all business is done with borrowed money, any set of policies or acts that may be initiated by the money-lending agencies of the country must have a tremendous effect upon the condition of the various industries. I want to add here that my experience in live-stock loans almost entirely has had to do with loans made in the West. I have had very little experience in the feeder live-stock business. So, if some of the theories which I propound do not exactly fit the feeders, you will have to excuse me.

As I see it, the first duty of the money-lender is to reduce the debt of his borrower as fast as possible. The next thing that he must realize, in my opinion, is that he is not lending his own money. It is money which has come to him in the form of deposits, or money received from the sale of bonds and debentures and live-stock paper of the different markets. Therefore he must be concerned with the industry as a whole, and not so much with the particular individual, because, when he does anything that is detrimental to the industry as a whole, he hurts the depositors and purchasers of live-stock paper, as well as the borrower. I believe that the greatest good for the greatest number is a sound principle in this vocation.

*Address delivered before the annual convention of the American National Live Stock Association at Rapid City, South Dakota, January 9-11, 1935.

Methods of Making Live-Stock Loans

I am going to give a concrete example of the methods followed in lending money at the time when I first went into that line of work. These methods have prevailed until the present time. A borrower would come to me and say that he wanted a loan on his cattle, and that the value of the cattle was $20 a head. He would say that that seemed to him to be a fair value, and I, as a money-lender, would agree. He would then say: "I have got $5 a head in these cattle, and I want you to lend me $15." Almost at once, under the old system, I would say yes. I put $15 a head into the deal. I had a $5 margin, I had the cattle to protect me against loss, and I made the loan. Under those circumstances, I gave very little consideration to whether my borrower was going to reap a profit in his operations on a long-time average.

Another thing that was done may be illustrated in this way: A business man, a doctor, a lawyer, or what not, would present himself and ask whether I could make a loan on the same basis. I would grant the loan. What was the outcome of that type of loan? The minute I lent $15 a head on that man's cattle I created an artificially stimulated market. The next time the borrower came back to me he would say: "These cattle have gone up to $23 a head. Will you lend me $17?" I would answer yes. Right then, by doing that, I artificially stimulated the market further, and up went the price of cattle again. The next borrower would come to me and say: "This bunch of cattle is worth $25 a head. Will you lend me $20?" I would make the loan. And so on and so on.

This is what happened: I made a $15 loan; then I made a $20 loan on the same bunch of cattle. I made a 100 per cent loan on my original value; and in many cases the process continued until the cattle reached $70 a head. What happened about that time? All at once the money-lender found that his operating costs were going up. He did not know why, but they were going up just the same, and he was forced to raise the loan on his cattle without getting any returns on his investment. His income was off; the investment in the cattle was less than the lender's outgo; and up went the loan again. Why did that operating cost go up? Because of competition for grass, range, etc.

The next thing that he found was that he had too many cattle, and that the market was beginning to show weakness. He did not get panicky exactly; but when another borrower came in, what did he say? He said: "Well, I do not think I will make any more live-stock loans. All my available cash is used up, and I have got too much live-stock paper to make a properly balanced line of investments." What happened? Immediately the great question was the paying-back of these loans. Values went down, greater numbers of cattle went to the market, and down went the market. It broke the borrower, the banks, and the corporations. How many times it has done that in the last century I do not know.

Many of us would say that that is just hard luck. However, I take the position that it does not particularly concern a man's hard luck, but that it does concern him greatly what it does to the industry as a whole.

Profits Rarely Made on Rising Market

There is another point that I want to make. As I see it, the legitimate live-stock man seldom makes a profit on the rising prices. I wonder how many of you realize that. There is a reason for that, is there not? A man who is a legitimate and successful stockman devotes all his attention to the business. He has been brought up in the business, and he loves it. As he loves the business, he wants to get a normal

increase in it. Even if he is ever so conservative, he wants to have a few more cattle next year than he had this year—any live-stock man who loves the business wants to do that. He started back in this period, and had made, perhaps, a 10 per cent yearly increase while prices were high. Then, all at once, when prices dropped, he suffered a decrease on a larger number than he had taken a rise on. The result was that very few legitimate live-stock producers ever had a profit on a rise. Therefore that man is better off if he can get something like a normal stabilized price—not a fixed price, but a stabilized price that does not go this way and that.

Some will ask what effect that would have in a condition like the drought which we have just passed through. The borrower would come in, and you would go over the matter carefully with him. You would say: "I can make this loan, provided I can see in the picture what you try to show me. You have enough range, on the average, to go through a period of years, and you have enough water to go along with an ordinary program." The thing that I am trying to get at here is that, if the man is not overstocked, he can survive the drought in much better shape. During the drought period, in this locality in South Dakota, we did not have to sacrifice any tremendous number of cattle. I know that we should have carried 80 per cent of our live stock over if we had not been overstocked. And that is one of the criticisms—a poorly administered live-stock credit.

Extending Credit to Amateur Stockmen

Now I want to go back and pick up my particular subject again—that of lending money to people not directly in the cattle business. We have not been differentiating properly between those who were *bona fide* producers and those who were in the cattle business on the side. Suppose a professional man comes in and asks for a loan. He would put his proposition up to you, and after you had gone over it with him you would say: "No, I cannot make that loan. I give you as my reason that the past history has proved that a man who does not devote his entire time to this business cannot make a profit. I will not be a party to a loan transaction with a man who cannot make a profit on his enterprise." If you make such a man as this a loan, you are a party to creating an artificially stimulated market by putting that fellow in the market. That professional man derives his income from other sources; yet you make him a direct competitor for grass, water, and rains with the very men to whom you are looking to make a profit for you.

Just a moment to refer to another picture. If a legitimate borrower came in and asked for money, here is what you would do: You would sit down and go over his deal carefully, and, after doing so, you would grant him the loan. After sizing up the situation, and knowing the man's operations to be on what you consider a sound basis, and that, by making the loan, you would enable him to increase his holdings, you would say: "Mr. Jones, we have agreed that this is a good proposition. But this is increasing your stock—increasing your unity; and we shall expect some payment on the loan each year to reduce your debt." What is the result? At the end of fifteen or twenty years that man would be out of debt, and he would still own his original herd of cattle, ranch, or farm, as the case might be. He is in much better shape than he was before. He may even have a few more cattle—a natural increase within reasonable limits—and he will be out of debt.

Under that kind of policy, you have created a mass purchasing power—a mass credit. And when you create a mass credit, you create a mass purchasing power. With such a situation, every party to the transaction makes money. If there were a few fellows who needed to sell, they would be able to do so at fair prices; for there would be a fellow here, and another fellow there, who needed a few head, and they could buy from the man who wanted to sell. By thus being able to keep from dumping large numbers of cattle on the market at once, the price decline would be checked.

Need of Uniform Policy

I am frank to admit that I have thought of only a couple of ways by which this theory might be carried out. The first is that a uniform policy of lending money must be adopted—a uniform policy between all banks and loan companies. If you do not have a uniform policy of lending money, the result will be that the institution with a poor policy will get all the good loans, and the institution with a good policy will not be able to exist. And not only will that follow, but the effect will be ruinous to the entire cattle industry.

Unless we have some sort of uniformity with regard to money-lending policies, we shall continue to have plenty of trouble. I have certain friends in the banking world. I have discussed this matter with some of them, and I feel that they are beginning to realize that uniform policies are necessary, and that they will eventually come.

The other point that I wish to mention is that of the soundness of money-lending institutions. There should be some government supervision of those who make loans, whether they are private money-lenders or corporations. Money should not be lent by institutions which are not sound financially, and which are not in a position to go through an orderly liquidation program on a loan. They should not be so weak; or, if they are very weak, they should not be allowed to loan money to stockmen. If there is any chance that next year things may become difficult, such institutions will be forced to call for liquidation of a large volume of loans, and force the producers to unload their stock on the market in large numbers, resulting in a crisis. Under a uniform policy of lending money by all institutions, I think we could reach the point where even weak institutions, such as I have mentioned, would still be able to handle their affairs so as not to bring distress upon the borrower and the industry. With a uniform policy of making loans, I can realize that a condition could be brought about where borrowers could be taken care of and not be forced at an inopportune moment to sell their cattle on a crowded market.

When you boil this down, the whole thing is really reduced to two points. One is a recommendation and a hope that we may get a uniform money-lending policy by all live-stock loan agencies, including banks; and the other, that every loan will be carefully analyzed when it is made. In other words, the right principle is that during times when there is a fair profit in the business you should reduce your debts, so that during times of distress you will not suffer.

Argentine Mortgage Moratorium Law Upheld

In a four-to-one decision, based on economic and social, rather than legal, grounds, the Supreme Court of Argentina has upheld the constitutionality of that nation's emergency mortgage moratorium law.

DENVER PUBLIC-LANDS CONFERENCE

GETTING READY TO APPLY THE FINISHING touches to the plan for administering the new Taylor Grazing Act, Secretary of the Interior Harold L. Ickes on February 12 called a conference in Denver with western state officials and representatives of the live-stock industry, for the purpose of getting their views on the public-lands problem. Representatives of cattlemen, sheepmen, and sportsmen, members of state land boards, and game and fish commissioners had gathered to prepare resolutions on grazing permits, reduction regulations, advisory councils, land exchanges, etc.

The recommendations of the live-stock industry were embodied in a set of three resolutions, submitted by a joint committee composed of representatives of the American National Live Stock Association and the National Wool Growers' Association, which set forth:

That permits within the various grazing districts for the first year be issued to all owners of live stock using the public domain prior to January 1, 1934, provided such owners have sufficient owned or leased land and water rights to maintain their live stock during the period of the year when the stock is not on the public domain; that such permits allow the same number of animals as was grazed during the past five years, with the length of season the usual period of occupancy in the past; and that proper use be determined by local stock representatives;

That a permittee be given a renewal if he is complying with the regulations, and that he be subject to reduction only for range protection for purposes of readjusting equities to satisfy proved range-users;

That necessary regulations be drafted by a committee composed of a cattleman, a sheepman, an appointee of the governor from each state, and a representative of the Department of the Interior, such committee to co-ordinate regulations effective for all the states.

From the state land board commissions came these recommendations:

That state and private exchange provisions be given preference over other forms of disposition of the public domain, and that the right of exchange by states be superior to that of an applicant for lease or purchase;

That states be allowed exchange of grouped parcels of state lands, if necessary, for lands of the United States in a single transaction, and that states should have the right to free selection of lands, whether located inside or outside of grazing district;

That, since school sections represent the average values of lands in the territory where they are located, and since the remaining public lands represent the "survival of the unfittest," in exchanges the federal government should give larger tracts than those received;

That state lands under lease be accepted subject to the rights of lessees;

That, where states have land within a grazing district, they shall be entitled to equal representation on advisory boards;

That determination of matters of exchanges be made by the Secretary of the Interior and the proper state land officials;

That a lessee, under Section 15, be allowed to relinquish his rights, and that, upon such relinquishment, the states should have the right to select land in exchange for other land, or to fulfil any quantity land grant made to them;

That fees for filing applications for exchanges be eliminated, and the expense of publishing notice of pending exchanges be borne by the department;

That grazing withdrawals be not considered a reservation precluding consummation of the transaction where state selections, initiated prior to withdrawals, have not been completed;

That strict construction be put upon that part of the act which reserves to states prior rights under existing law;

That states be allowed to select groups of tracts containing sufficient water for proper use, and that present reservation of water-holes in conflict with the policy be extinguished, as the needs of each state may require;

That, upon application of any state for exchange of lands, the Secretary of the Interior shall designate a representative to act with one appointed by the state land officials to determine the value of the lands; a third member to be selected by these two, and the majority decision to be final;

That regulations, before final adoption, be submitted to the land offices of the states affected thereby;

That all unsurveyed public lands be surveyed as soon as practicable;

That the Taylor Grazing Act be construed in reference to state laws, and that exchanges be allowed on such basis as not to conflict with state laws.

The game and fish commissioners of the western states, as well as the conservationists, favored the inclusion of all public lands—161,000,000 acres—under federal administration.

Amendments to the act recommended by the department itself would strike out the provision limiting the administration to 80,000,000 acres; add to Section 8 of the act, which deals with exchange of state lands, the following: "areas and values of unsurveyed school lands within grazing districts may be approximated by protraction or otherwise for the purpose of effecting exchanges of state lands;" and amend Section 15 so that the secretary, in leasing isolated tracts, must give preference to applicants engaged in the live-stock business residing in the vicinity of such tracts.

Another proposed amendment—known as the DeRouen amendment and last year called the McCarran amendment—would strike out a clause now in the act which provides: "except that no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such permit, if such denial will impair the value of the grazing unit of the permittee, when his unit is pledged as security for any *bona fide* loan." Department officials at Denver, however, indicated that they would not press for this amendment.

An outstanding event at the conference was the address by Secretary Ickes to a nation-wide radio audience. Through the courtesy of the American National Live Stock Association and the National Wool Growers' Association, this talk was amplified, so that those in attendance at the conference could hear it.

Secretary Ickes' remarks were considered by the stockmen to be as liberal as could be expected from "one not of the West." He was especially reassuring as to grazing fees. However, his policy of encouraging the theory of a bare living for ten men, instead of a profit for one, would seem to hold seeds of trouble. The spirit and intent of the law, as the stockmen have considered it, did not anticipate social and economic reform. A point that to stockmen seemed somewhat overstressed was erosion, always a fetish with government bureaus.

In his opening statements, the secretary outlined briefly the land policies of the past, which, he said, were merely policies of expedience. Now it is realized, he added, that intelligent land-use planning is absolutely necessary. Touching upon the results of overgrazing, he stated that this can largely be prevented through range regulation. Powers under the law were summarized as authorizing administration along the following lines:

Creation of grazing districts of an aggregate of 80,000,000 acres of vacant, unreserved public land.

Issuance of leases to individual stockmen on isolated, disconnected tracts of 640 acres or more that are not susceptible to administration as parts of grazing districts.

Sale at public auction of isolated or disconnected parcels not exceeding 760 acres each in area.

Exchange of privately owned lands within a district for other public land of equal value, and, in similar manner, exchange of any state-owned lands on application of a state.

Classification for homestead entry of lands in grazing districts that are more valuable and suitable for the production of agricultural crops than for grazing.

The grazing districts under the present program, it was indicated, should be created by proclamation not later than April 15.

Several special conferences of the Joint Land Committee of the American National Live Stock Association and the National Wool Growers' Association with Secretary Ickes, and group conferences with state land board officials, were in session at various stages of the meeting.

ARIZONA CATTLE GROWERS' MEETING

BY WILL C. BARNES

Phoenix, Arizona

ENCOURAGED BY THE BEST RANGE CONDITIONS over the entire state for more than ten years, the cowmen of Arizona came to their thirty-first annual gathering at the little city of Globe in the best of spirits. Globe—a mining town first, last, and always—is, however, located in almost the exact center of the cattle population in the state. Counting the Apache Indian Reservation, it is surrounded by some of the best open-range country in Arizona, if not in all the West. Comparatively few sheep are grazed in this region. It is a cow country.

When President J. M. Cartwright opened the convention, the mayor of Globe presented him with the "key to the city" —a huge copper affair about ten inches long. He kept order with it during the sessions. Governor Moeur, himself an old Texas cowboy, welcomed the delegates to the city, and predicted for them a prosperous and satisfactory year.

Charles E. Collins, president of the American National Live Stock Association, explained to the cattlemen "Why I Am Staying with the Cow Business." Some of the hearers said it was because, like most of them, he had not been able to "cash in" on his cattle investments for some years; hence he stayed with the old cows. At the same time, Mr. Collins intimated that the present trend of administrative sentiment at Washington in the enforcement of the Taylor Grazing Act appeared to lead to the ultimate breaking-up of large cattle outfits using government ranges into small units. "Next year I may be able to tell some of you just how and why I got *out* of the cattle business," was his closing remark.

Tall and handsome young Dan C. McKinney, born and reared on an Arizona cattle ranch, but now vice-president of the Federal Intermediate Credit Bank at Berkeley, California, told of improved conditions, especially financial ones, in the range business. He warned his hearers that they must strive to reduce their indebtedness while prices were up, and thus be better prepared for the inevitable reaction which, history shows, always follows a period of good times. The wise cattleman, he declared, "will watch his step, pay off his notes, and keep his eyes on expenses."

P. H. Ross, director of the Arizona drought relief program, followed with some interesting statements as to the work done by his agency. The drought relief agency, he said, bought and removed from Arizona ranges 101,352 head of cattle, for which the government paid the owners $1,488,175. Of this number, 83,195 were slaughtered for use, while 18,157 were condemned as unfit for human food. This buying, in his opinion, did more for Arizona cowmen than anything else which could have been devised. Mr. Ross gave the Bureau of Animal Industry and the Arizona Cattle Sanitary Board great praise for their fine co-operation with his agency in handling the starving cows.

Representing the Forest Service, D. A. Shoemaker, from the Albuquerque regional office, and regional chief of grazing, gave the members some very clear-cut, definite statements as to what the grazing fees on national forests for the coming five-year period will be, the manner of making reductions on permits for certain purposes, the situation as to delinquent grazing fees in New Mexico and Arizona, and other matters affecting grazing in these two states in the immediate future. Boiled down, he told them that, due to unavoidable delays at Washington in establishing a policy under the Taylor Act, the Forest Service would not issue permits for more than five years, from 1935 to 1939, inclusive. This will enable the federal activities interested to make their plans to handle certain problems—mostly financial—connected with the management of the public lands, so as to harmonize, as far as possible, with the established policies of the Forest Service. These are what may be called the "high lights" of Shoemaker's interesting talk:

During the coming five-year period no reductions for distribution will be made on existing permits below the protective limits.

Permits between protective and maximum limits will be subject to reductions for distribution or range protection for not more than 15 per cent for any one year, and a total of not to exceed 30 per cent for the five-year term.

There will be no guarantee of a continuance of permits now above the maximum limits, and all surplus stock will be subject to removal whenever range conditions demand such action.

On certain areas, such as city watersheds, recreation and game areas, and reclamation projects and watersheds, where the public interests may be said to be paramount, such reductions will be made as will give the needed protection to such areas.

Delinquent permittees will not be given permits for the period 1935-39 until all delinquent fees have been paid. Failure to make payment will mean the prompt removal of the stock concerned and a demand on the owners for damages, based on the usual trespass rates.

Notes for delinquent fees will not be accepted.

Grazing permittees who have loans from any government agency will be dealt with the same as one who has no loan.

The speaker restated the established policy of the Forest Service, to the effect that "a permit on a national forest is a personal, and not a property, right."

The policy of paying grazing fees in two instalments will be continued.

Other things being equal, owners of land will be given preference over lease-holders.

Everybody must make a new application for this five-year period.

Wayne Thornburg, another active young cattleman of the new generation, and president of the Arizona Live Stock Credit Association, gave a brief résumé of the work done by his organization in the past year, and his ideas for the future in assisting cattlemen to obtain credit in cases where that kind of financial aid could properly be furnished.

The determination of the Indian Service to clean up in the near future all cattle now grazing on the Apache Reservation in Arizona spells finis to the use of this splendid area by the Arizona cattle- and sheepmen. It appears that the stock owned by the Apaches have now increased to the point where every acre of the land is needed for Indian stock. The chief sufferers from this move will be the well-known "Double Circle" outfit, which has grazed large numbers of its cattle on these Indian ranges for many years.

A large crowd of ladies and their cattlemen husbands attended the ball given by Globe citizens one evening, while a barbecue supper the next evening offered everyone a chance to "eat more meat."

At the beginning of the session, President Cartwright opened two large boxes from Phoenix, from which were taken two beautiful baskets of flowers sent to the association with the compliments and best wishes of the Arizona Wool Growers' Association. Verily does the lion lie down with its friend, the woolly lamb, nowadays!

An innovation was the furnishing to each member of a small square of leather, with a short string attached to it, on which, by means of copper "running-irons," heated in gasoline torches, each man burned his brand and tied it on his coat. It was quite an unusual proceeding and made a big hit with the members.

Resolutions were passed as follows:

Asking extension by fourteen months of period in which cattle may be kept for grazing in Mexico;

Requesting early action on problems created by withdrawal of grazing lands on San Carlos Indian Reservation;

Recommending that one cattleman and one sheepman be appointed to board of governors to enforce Taylor Grazing Act, and that no changes be made in act until it has been given fair trial;

Urging amendment of Arizona laws to give Corporation Commission power to make rebates where rates are found unreasonable;

Opposing legislation designed to repeal fourth section of Interstate Commerce Act;

Recommending legislation authorizing land department to give ten-year leases on state lands;

Opposing proposed motor-vehicle law based on so-called "Kansas law," described as providing for duplication of duties now being performed;

Favoring retention of present penalty for cattle theft;

Opposing enactment of any kind of gross income tax;

Favoring a law making it a misdemeanor to bring into accredited areas cattle not tested for tuberculosis;

Recommending amendment to present law to provide for sale of cattle seized in court action within thirty days, instead of holding them indefinitely and running up large feed bills.

An effort was made to get the meeting to favor a resolution to the State Legislature asking for a larger appropriation for the support of the Cattle Sanitary Board. The move was deemed unwise just at the present time, when the legislators and the governor are wrestling hard with the problem of keeping the state's expenditures down to the lowest possible dollar. Tacked onto this proposition was one to reduce the inspection fees on cattle shipped from the ranges, and on butchers' hides, from 15 to 10 cents. The two schemes did not seem to appeal to the cowmen as being along the proper lines. They felt it was liable to lead to a general opposition from certain sources as to the size of the present appropriation.

Frank S. Boice was elected president, following Mr. Cartwright, who desired to retire from the position, which he had held for three years. Frank is the second of the three Boice boys to occupy this position. Mrs. J. M. Keith, who has filled the office of secretary so creditably for the past thirteen years, continues in that position.

Tucson was selected as next year's meeting-place.

Canada to Improve Delivery of Frozen Beef

Removal of one of the greatest difficulties in importation of frozen and chilled meats will result from construction by Canada at the port of London of a vapor-tight chamber of 30,000 cubic feet capacity, designed to prevent condensation of vapor on products removed from ships' holds.

NATIONAL WOOL GROWERS' CONVENTION

FIVE HUNDRED WOOL-GROWERS GATHERED AT Phoenix, Arizona, on January 29-31, for the seventieth annual convention of the National Wool Growers' Association. Twenty-five states, Canada, and Australia were represented.

After the preliminaries of the opening session, services were conducted in memory of the late Frank J. Hagenbarth, who for twenty-one years had served as president of the association.

President Ellenwood then delivered his annual address. He pleaded for greater consideration of national problems, pointing to the increasing radicalism in our country. The greed of business, he said, had crowded out all thought of governmental welfare, and industries clamoring for foreign outlets through trade agreements that would lower tariffs were forgetting the general good of the country. He stressed the necessity of a unified protective tariff policy. Following this speech, F. R. Marshall submitted his report as secretary, which outlined the work of the association during the past year.

In recent years the wool-growers have added to their organization a woman's auxiliary, the purpose of which is to acquaint the women with the national aspects of the sheep and wool industry, and recruit their aid for its welfare. A talk by the president of the auxiliary, Mrs. S. O. Stewart, of Yakima, Washington, emphasized the need of feminine support in the association's undertakings.

In the afternoon, F. R. Carpenter, director of grazing, spoke about the administration of the public lands under the Taylor Grazing Act. Chief Forester F. A. Silcox followed, with a discussion of the problems of the Forest Service. He stated that the next five years would be devoted to integrating Forest Service policies with the proposed land-use program. Only annual permits would be issued in 1935, Mr. Silcox added, and reductions would have to be made in numbers of stock covered by present permits, so that the unemployed residing near the forests could run a few head of stock. P. V. Cardon, regional director of the Land Policy Section of the Agricultural Adjustment Administration, addressed the convention on the matter of the government's land-use planning now under way.

Another outstanding question at the convention was marketing. The Committee on Wool Marketing, in its recommendations, commended the AAA for co-operating with the wool industry to work out a marketing agreement. A minority report, offered by W. P. Wing, of California, insisted that a marketing agreement would involve production- and price-control operations, and therefore should be opposed. E. S. Haskell, of the General Crops Section of the AAA, delivered a talk on the subject of wool supply and demand. Charles Redd, president of the National Wool Marketing Corporation, also spoke on that topic.

Among the interesting addresses was one by Sir Graham Waddell, chairman of the Australian Wool Growers' Council. The great majority of wool-growers in his country, Sir Graham told the gathering, are opposed to price-fixing, pooling, or any interference with the law of supply and demand.

Fabric-labeling, wool promotion, and government purchases of sheep and goats were other subjects discussed.

The following resolutions were passed:

Favoring retention of present tariff on wool, and opposing tariffs predicated on trade agreements that would involve foreign entanglements and further domestic unemployment;

Reaffirming stand in favor of truth-in-fabric legislation;

Urging government to purchase supplies for army and navy from domestic producers;

Appreciating efforts of administration to ameliorate drought condition in sheep industry;

Demanding reduction of at least 25 per cent in present live-stock freight rates, opposing enactment of legislation which would hamper motor-vehicle transportation, and condemning Union Pacific for attempting to restrict certain connecting lines in participation in handling of live-stock traffic;

Expressing sorrow at death of Frank J. Hagenbarth.

Committee reports were adopted as follows:

Committee on Wool Marketing.—Commending Advisory Committee for its intelligent handling of 1933-34 clip; recommending that AAA co-operate with wool industry in making effective a marketing agreement; asking Federal Trade Commission to investigate trade practices in wool purchases; and urging national and state associations to co-operate in setting up organization to promote greater consumption of wool.

Committee on Public Lands.—Requesting that preference to use of public range be granted present owners of live stock, land, and water; urging that associations be privileged to collaborate with Department of Interior in preparing regulations under Taylor Grazing Act; and asking that preference users who have commensurate property be granted ten-year permits.

Committee on Forest Grazing.—Objecting to sweeping change in national-forest grazing privileges; requesting that no cuts for distribution be made until present users have recuperated losses sustained in depression; asking that grazing permits be issued for period of not less than ten years; recommending that new applicants be cared for from accumulation of allotments resulting from growers going out of business; and asking that Forest Service be not removed from Department of Agriculture.

Committee on Lamb Marketing.—Opposing Capper-Hope-Wearin bills; favoring change in Packers and Stock-Yards Act to provide for adequate penalties upon violation; indorsing work of National Live Stock and Meat Board; commending service of market news of Department of Agriculture; urging Institute of American Meat Packers to encourage its members to promote increased use of lamb privately branded and bagged; thanking Packers and Stock-Yards Administration for its investigation of stock-yard and commission rates; urging that Packers' Consent Decree be amended, giving packers freedom to compete in retail distribution; and indorsing fats-and-oils program for taxing foreign oils.

Committee on Predatory Animals.—Appreciating work of Bureau of Biological Survey for efficient control of predatory animals; urging Congress to apportion 25 per cent of rental fees from rents in grazing districts for use by Biological Survey for control of rodents and predatory animals on land within districts; recommending appropriation of not less than $1,500,000 for fiscal year 1936, and each year thereafter for ten years, for use of bureau in control work.

Officers for 1935 are: president—F. A. Ellenwood, Red Bluff, California; vice-presidents—A. A. Johns, Prescott, Arizona; S. M. Jorgensen, Salina, Utah; and E. S. Mayer, San Angelo, Texas; secretary—F. R. Marshall, Salt Lake City, Utah.

CATTLEMEN OF TEXAS TRANS-PECOS SECTION MEET

A MEETING OF CATTLEMEN OF THE TRANS-PECOS country in Texas was held at Marfa, Texas, on January 26, which resulted in adoption of resolutions as follows:

Asking increase of loan limit to full value of land;

Urging advancement of further credit by Farm Credit Administration, to extend beyond period of drought;

Demanding continuance of protective tariff on live stock and its products;

Requesting Agricultural Adjustment Administration to forbid use, for producing live stock, of lands taken out of production of other products;

Commending administration for relief extended in drought cattle purchase program.

STOCK LOSS PREVENTION BOARD ORGANIZED

WITH THE BACKING OF ALL THE GROUPS IDENTIfied with the production, marketing, transportation, and processing of live stock, the National Live Stock Loss Prevention Board recently was placed in the status of an active organization.

Officers elected at the recent Chicago meeting at which the new council was formed are: E. G. Reed, New York Central Railroad, chairman; H. R. Davison, Institute of American Meat Packers, vice-chairman; Dr. H. P. Hoskins, American Veterinary Medical Association, secretary; C. C. McNie, Chicago & North Western Railroad, treasurer. Members of the Board of Directors are: F. E. Mollin, American National Live Stock Association; George W. Davis, American Poland China Record Association; F. R. Marshall, National Wool Growers' Association; P. O. Wilson, National Live Stock Marketing Association; B. B. Brumley, Ohio Live Stock Loss Prevention Association; Charles H. Schultz, Chicago Live Stock Exchange; Fred Brooks, Chicago, Rock Island & Pacific Railroad; J. E. Thoman, Hartford Insurance Company; William Weeks, Kansas City Stock Yards Company; L. W. Kube, St. Paul Union Stock Yards Company; E. L. Hoppel, Northern Pacific Railroad; F. E. Knutzen and F. M. Sherwood, Institute of American Meat Packers; and J. A. McNaughton, Los Angeles Union Stock Yards Company. H. R. Smith, live-stock commissioner for the National Live Stock Exchange, was elected general manager.

One of the first tasks of the board will be to get a fairly accurate estimate of live-stock losses suffered in transit and handling. It is believed that such losses cost the industry from $20,000,000 to $30,000,000 a year.

BELGIUM TRADE PACT SIGNED

A RECIPROCAL TRADE AGREEMENT, INVOLVING tariff adjustment on approximately fifty commodities on the part of each of the contracting parties, was entered into on February 27 between this country and Belgium. It was the first of the European trade negotiations to be consummated.

Among the concessions made to the United States is included one live-stock product—pork. Automobiles and other manufactured goods make up the remainder of the articles on which Belgium will grant tariff reductions. The items on which the United States agreed to cut import duties are made up mainly of manufactures.

Other European nations with which trade agreements are now pending are Italy, Spain, Sweden, Finland, and the Netherlands and her possessions.

BEEF-GRADING AT SEATTLE

REPORTS CONCERNING THE RECENTLY INAUgurated meat-grading service at Seattle inform us that satisfactory progress is being made, and that most of the packers themselves are in favor of the system.

The following table gives percentages of the various grades of steers, heifers, and cows graded in December, 1934:

Grade	Steers	Heifers	Cows
Prime	0.2	0.1	......
Choice	15.6	13.4	4.0
Good	59.9	60.8	34.2
Medium	17.9	20.9	27.3
Common	5.6	4.4	14.3
Cutters	0.6	0.4	15.5
Low cutters	0.3	......	4.7

LIVE STOCK ON FARMS AND RANCHES

DECREASE IN OUR CATTLE SUPPLIES, INSTEAD of the continuous increase which has been recorded for several years past, is shown by the inventory of the Crop-Reporting Board of the Department of Agriculture for January 1, 1935. On that date the total number of cattle in the United States was estimated at 60,667,000 head, which is 11 per cent less than on January 1, 1934, but 7 per cent more than in 1928—the low point in recent years. Value per head averaged $21.07, compared with $18.27 a year earlier.

Milk-cows (cows and heifers two years old and over kept for milk) likewise decreased in number, there being 25,100,000 head in 1935, or about 4 per cent less than in 1934. Value per head rose from $27.11 to $30.38. The number of yearling heifers kept for milk fell off from 4,749,000 to 4,286,000, or about 11 per cent.

There was a decrease of about 5 per cent in the number of sheep on farms. The slump was marked particularly in old ewes in the western states. Value per head for all sheep and lambs rose from $3.79 to $4.31.

Hog numbers were estimated at 37,007,000, which is a decrease of no less than 35 per cent from January 1, 1934. The estimated number was the smallest in more than fifty years. Average value was $6.41, compared with $4.14 in 1934.

Subjoined is a table giving estimated number, value per head, and total value of all classes of live stock on January 1 for the years 1935, 1934, 1928, and 1920:

Year	Number	Value per Head	Total Value
All Cattle and Calves—			
1935	60,667,000	$21.07	$1,278,327,000
1934	68,290,000	18.27	1,247,491,000
1928	56,701,000	50.81	2,880,802,000
1920	70,325,000	52.67	3,703,896,000
*Milk Cows and Heifers—			
1935	25,100,000	30.38	726,543,000
1934	26,185,000	27.11	709,909,000
1928	22,129,000	73.47	1,625,875,000
1920	21,455,000	81.51	1,748,820,000
Sheep and Lambs—			
1935	49,766,000	4.31	214,613,000
1934	52,212,000	3.79	197,740,000
1928	45,121,000	10.22	461,193,000
1920	40,643,000	10.45	424,644,000
Swine and Pigs—			
1935	37,007,000	6.41	237,258,000
1934	57,177,000	4.14	236,862,000
1928	61,772,000	13.17	813,639,000
1920	60,159,000	20.00	1,203,052,000
Horses and Colts—			
1935	11,827,000	76.18	901,038,000
1934	11,963,000	66.30	973,155,000
1928	14,768,000	66.68	984,763,000
1920	20,092,000	96.48	1,938,447,000
Mules and Mule Colts—			
1935	4,975,000	98.21	470,900,000
1934	4,925,000	81.54	401,596,000
1928	5,647,000	79.79	450,585,000
1920	5,656,000	148.25	838,530,000

It will be interesting to see how these estimates will compare with the census figures for the same date, to be available some time late this year.

*Dairy, beef, and dual-purpose cows and heifers, two years old and over, kept for milk.

Live Stock in Soviet Union

The number of cattle in the Union of Soviet Socialist Republics on July 1, 1934, was reported to be in excess of 23,000,000; sheep and goats, 40,000,000; hogs, 26,000,000; and horses, 7,000,000.

TWO OUTSTANDING DONATIONS

AT THE RAPID CITY CONVENTION THE AMERICAN National Live Stock Association was told of the novel plan devised by the Gila County (Arizona) cattlemen for raising money for national representation. This plan, as described in the January PRODUCER, involved the sale of tickets, several of which would win bulls for lucky numbers, and the turning over of the proceeds to the American National. Several hundred tickets were sold.

Now we can complete the story by adding that a winner of a prize bull—P. M. Clarke, of Tucson—in a fine spirit of co-operation has sent a check for the amount realized from the sale of the bull, $175, to the office of the American National.

Another splendid evidence of generosity has been given by Mrs. Harry Brown, of Payson, Arizona. Desiring to help the American National in any way she could, she conceived the idea of selling tickets on an elaborate quilt of her own handiwork. Ninety tickets were bought, the quilt was handed over to the winner, and a check for $90 has now been deposited to the credit of the association.

It is difficult to find words of sufficient praise of these acts. The two donations will go into hard and useful work for the benefit of the western cattle industry. Mr. Clarke and Mrs. Brown have demonstrated a spirit that cannot be too highly commended.

BUSINESS CONDITIONS

INDUSTRIAL OUTPUT, WHICH GREW RAPIDLY IN December, showed further increase in January, according to the *Monthly Review* issued by the Federal Reserve Bank of Kansas City. Activity in building continued low. Wholesale commodity prices advanced considerably during January and the first half of February. Marked increases were reflected in prices of live stock and its products.

Industrial production rose from 86 per cent of the 1923-25 average in December to 90 per cent in January. Activities in steel, automobile, lumber, cotton and woolens, and crude petroleum all showed increases during the month. Factory employment and pay-rolls advanced somewhat between the middle of December and the middle of January, although a decline is usual at this season. Car-loadings showed a seasonal growth in January.

The general level of wholesale commodity prices advanced from 77.9 per cent of the 1926 average in the first week of January to 79.4 per cent in the week ending February 16. Prices of cotton, grain, and silks showed a decline in January.

Bank balances showed an increase during the five-week period ended February 20.

THE CALENDAR

March 16-24, 1935—Southwestern Exposition and Fat Stock Show, Fort Worth, Tex.
March 25-26, 1935—Annual Convention of New Mexico Cattle Growers' Association, Roswell, N. M.
April 14-18, 1935—Interstate Junior Live Stock and Baby Beef Show, South San Francisco, Cal.
May 20-21, 1935—Annual Convention of Western North Dakota Stockmen's Association, Dickinson, N. D.
May 23-25, 1935—Annual Convention of Montana Stock Growers' Association, Great Falls, Mont.
June 13-15, 1935—Annual Convention of Nebraska Stock Growers' Association, Alliance Neb.
June 18-19, 1935—Annual Convention of Wyoming Stock Growers' Association, Cody, Wyo.

AMERICAN CATTLE PRODUCER

PUBLISHED MONTHLY
IN THE INTEREST OF THE
LIVE STOCK INDUSTRY OF THE UNITED STATES
BY THE
AMERICAN NATIONAL LIVE STOCK ASSOCIATION
PUBLISHING COMPANY

Subscription: One Year, $1; Three Years, $2.75; Six Years, $5
Advertising Rates on Request

515 COOPER BUILDING, DENVER, COLORADO

F. E. MOLLIN - - - - - *Managing Editor*
LOUIS WARMING - - - - - - - - - - *Editor*
JAMES E. POOLE - - - - - *Market Editor*
DAVID O. APPLETON - *Business Manager*

Volume XVI MARCH, 1935 Number 10

AMERICAN NATIONAL AND PACKERS AND STOCK-YARDS ACT

CERTAIN MARKET NEWSPAPERS—SUBSIDIZED, as they are, in the interests of the central markets—have had a lot to say recently about the American National Live Stock Association in relation to the Packers and Stock-Yards Act and the amendments which the stock-yard agencies would like to secure, in order to hamper the direct movement of live stock and to force as many shipments as possible back through the public markets. As was to be expected, comment in these publications on the association's attitude has not at all been confined to the facts. The attempt is now made to show that the association has reversed itself on its policy.

There is not a word of truth in these insinuations. No organization did more to cause the passage of the Packers and Stock-Yards Act, and no organization has given the Packers and Stock-Yards Administration greater support, than has the American National.

One of the amusing sidelights of the situation is that, for many years and until very recently, these same agencies which are now so piously pointing to the Packers and Stock-Yards Act as the Bible for all commission men to swear by, *provided it is amended as they wish,* were constantly preaching the doctrine that the Packers and Stock-Yards Administration was of no practical benefit, and that the act should be repealed. They have imposed every obstacle in the way of the administration in determining fair and reasonable commission and yardage charges. There has hardly been a decision made by it to regulate these charges, and feed charges as well, but has been taken to court and, in some cases, kept there until every legal means had been exhausted. At the present writing, orders issued by the Secretary of Agriculture regulating commission charges at Kansas City, Chicago, and Denver are restrained in court, and have been for from several months to several years, and hundreds of thousands of dollars, which belong to the stockmen shipping to those markets, are impounded, pending the final decision.

The whole trouble is that, in order to alter the situation in the Corn Belt, which has diverted thousands of carloads of live stock from public stock-yards to other forms of markets, and to make sure that the desired results would be obtained, it has been found necessary to write proposed bills so drastic in their terms that the West, which always has marketed much of its live stock direct, has had no alternative but to oppose such measures.

If there were any real demand for this legislation on the part of producers themselves, there would be no difficulty in getting serious consideration of the proposed bills. Instead, they lie in committee week after week, despite the frantic efforts of the well-financed organizations seeking their passage. In the meantime, as reported elsewhere in this issue, the interior packers have adopted practically all the suggestions made by the Bureau of Agricultural Economics in its searching investigation of this subject.

No one form of marketing will ever again corral the live-stock business of this country. Whatever evils may creep into any system must be corrected. If the same amount of time, effort, and money which has been spent by the stock-yard agencies in seeking the passage of the Capper-Hope-Wearin bills had been used to advertise the central markets and to improve the service, so that shippers would want to go there of their own accord, no doubt there would be something to show for it.

The American National Live Stock Association will continue to protect its members from any unwise restrictions upon marketing, so far as it lies in its power to do so, and no amount of abuse from subsidized stock-yard papers will alter its course.

ADVANCE IN COST OF LIVING

IT IS ONLY NATURAL THAT THE NEWSpapers in the consuming centers should be showing big headlines these days calling attention to the rise in food prices. This is an inevitable concomitant of the most devastating drought which has ever been recorded in this country. It is unfortunate, indeed, that the rise occurs at a time when millions of men are out of work and, with their dependent families, existing largely on government doles.

It is only fair, however, to call attention to the fact that, in spite of the rather sharp advance in prices, it is only a leveling-up process which, for the first time in years, brings agricultural producers somewhere near a par with the industrial group that consumes the products of the farm. It is true that on January 15 the index figure of all farm commodities had reached 107—using the 1909-14 period as base. But purchasing power must be taken into the reckoning, and on that date the ratio of prices received by farmers to prices paid stood at only 85, compared with the base period. Industrial wages in December stood at 185; wholesale prices of all commodities, at 112; wholesale foods, at 117; while prices paid by farmers for all commodities purchased in January stood at 126. So it appears that there is still a gap between the agricultural producer and the industrial worker, although it has narrowed considerably.

Now we must turn ourselves to the problem of distribution. It is beyond argument that the farmer receives a very small percentage of the consumer's dollar; and yet it has been impossible to point out any one group, between the producer and the consumer, which has been making an undue profit. That the situation can be improved by careful investigation, and the distribution of farm products facilitated, is likewise beyond a doubt. We can only urge that the consumers, whose protest must be heard, should devote themselves first to that problem, in the realization that the agricultural producer is not receiving an undue return at present levels.

THE EXCISE TAX AND THE PHILIPPINES

OF THE LAWS THUS FAR ENACTED UNDER the present administration, probably the one most helpful to the cattle industry has been the fats-and-oil excise tax measure. In May, 1934, this measure became a part of the Internal Revenue Act. Its effect in enhancing cattle values through raising the price of oleo oil has already been gratifying beyond expectation.

As will be remembered, the tax was opposed by the administration. In a special message to Congress, the President pointed out that enforcement would produce a serious condition among many thousands of families in the Philippine Islands, whence most of the coconut oil came. Soap-manufacturers, anxious to have cheap oil continue its free flow into this country, joined in the assertion that Filipino producers would be ruined by the 3-cent assessment.

As matters have turned out, however, it would appear that the administration need no longer feel remorseful over the excise-tax matter, and that the soap-manufacturers may well save their altruistic commiserations. A report comes from the National Co-operative Milk Producers' Federation which throws a brighter light on the subject. It shows up these facts:

> During the first nine months of 1934 the United States consumed approximately 62,000,000 pounds more of Philippine coconut oil than during the same period in 1933. Net imports of coconut oil, as such, and copra from the islands during the first nine months of 1934 were higher by 2,000,000 pounds than during the corresponding period of 1933.
>
> Coconut-oil prices (net without the tax) in December, 1934, were between 30 and 40 per cent higher than in May, when the tax became effective, and the price of copra in the Philippines in December was approximately twice as high as in May.
>
> The imposition of a higher tax (5 cents a pound) on coconut oil from sources other than the Philippine Islands has been effective in giving the islands an almost complete monopoly on the demand for coconut oil in the United States. In August, 1934, 99.6 per cent of our supply came from the islands, as compared with 83.8 per cent in August, 1933.
>
> The price of copra at Manila on May 12, 1934, when the tax went into effect, was 88.6 cents per 100 pounds, as compared with 95.5 cents at the beginning of 1934. From the low point in May, 1934, however, prices rose to \$1.31 per cwt. on September 29, \$1.36 on October 27, \$1.38 on December 1, \$1.67 on December 22, and \$1.84 on January 5, 1935.
>
> Crude coconut oil from the Philippines was selling at wholesale in New York at 2.63 cents a pound when the tax became effective, and at 3.69 cents on December 24, 1934. Refined edible coconut oil in car-lot barrels was selling in Chicago at 5.38 cents a pound in May, and at 7.25 cents (without the tax) on December 24.
>
> Apparent consumption of Philippine coconut oil in the United States during the first nine months of 1934 totaled 402,000,000 pounds, as compared with 340,000,000 pounds during the corresponding period of 1933.

Thus distress over the plight of the Filipino may now be soothed. No economic upheaval was caused in the islands by the tax. The most that happened was a purely psychological reaction, lasting only a month after the tax became effective.

We shall have to confess that we were not so generously disposed toward our "little brown brother" as to sacrifice to him our entire fats-and-oils market. But we are glad to see him getting along fairly well without the free access to that market which he has enjoyed during the past several decades.

THE STOCKMEN'S EXCHANGE

PRODUCTION CONTROL NECESSARY

BUELLTON, CAL., February 25, 1935.

TO THE PRODUCER:

I should like to express myself regarding future federal production control. Let us try to remember back even a few months, when we were selling possibly the best beef we ever produced at as much as $25 a head loss! I know this is what happened to me, with three hundred head, just a few short months ago. We certainly cannot truthfully attribute this to underconsumption, because the per-capita consumption of beef last year was the largest in recent years in this country. It was merely an oversupply, which, without control, is bound to come again in the near future. With the horse population down, good seasons coming back, and large acreages of submarginal farm lands going back to pasture, overproduction is the only answer, because, on rising prices, consumption is bound to decrease.

Controlled production is really benefiting the cowman in conserving pasture. That is, if we would all cut our herds down 20 per cent, we could all sell at a fair profit, always have a reserve of feed against droughts, and actually build up our much overcropped ranges. The natural impulse for unrestrained competition, if practiced in industry, would have wrecked it long ago. Are we cattlemen so much more intelligent that we can beat this natural law of supply and demand?

ODIN G. BUELL.

IMPRESSIONS OF AN OLD-TIMER

PHOENIX, ARIZ., February 28, 1935.

TO THE PRODUCER:

Listening in on the talks made at the convention of the Arizona Cattle Growers' Association a few days ago, I am moved to jot down some of my impressions.

The first convention of the Arizona organization was held in 1904, at Tucson, when Colin Cameron, one of Arizona's best-loved and most progressive cowmen, got the cattle-owners together and organized them into an association which has been a wonderful factor in keeping the cattle industry of this state on its feet, as well as continually fighting for its interests. It was not the first cattle association in the state, by any means, but it is the only one that lived through the early days of its life.

* * *

After President Cartwright got the convention going, Charles Collins, president of the American National Live Stock Association, made a speech in which he intimated that the sentiment in Washington was that the effect of the Taylor Grazing Act would be to break up the large outfits into small ones. The writer of these items cannot quite see it that way. In his opinion, if one can judge from the exceedingly few and carefully worded policy statements made by the men now in charge of the act, its enforcement will practically wipe out the small rangemen and create a comparatively few large units as to numbers of cattle involved. Certainly Mr. Carpenter's statements before the meetings held at different western points seem to justify this assertion.

* * *

P. H. Ross, director of drought relief in Arizona, in his talk referred to the government's cattle-buying program, which had materially improved marketing conditions in the state. Considering these government purchases in 1934, one recalls the starvation years of 1892-93, when, because of drought and a hard winter, thousands of Arizona cattle—probably a third in the territory—died on the ranges. Nobody then came along and asked us to sell him our poor old "Nellies," slowly passing to the great beyond before our very eyes. Nobody lent the owners of those days money to meet their expenses and buy gas and oil. We simply went broke, took our medicine like men, and, when spring came, rounded up what was left and nursed them along till we again got on our feet. We emerged from it still our own bosses and owing no government organization so much as a smooth dime.

Mr. Ross also stated that the per-capita consumption of meat in the United States was now the highest it had been in thirty years. In the writer's estimation, further boosting of cattle prices will put a stop to this high meat consumption, because of resulting higher prices for beef on the block, which has always turned housekeepers to hunt for lower-priced goods in the way of fish, chicken, etc. For example, one of the largest of the chain meat stores has recently decided to make fish in all its markets a regular daily matter, instead of only once a week, as is now the usual routine. This action has been taken to meet the rising prices of such commodities as beef, lamb, etc.

The cattle now on the ranges are practically the "pick of the flock," said Mr. Ross. "The weaklings, old sisters, and undersized, undernourished members have been culled out. Those left are young and vigorous, which presages heavier calf crops, smaller losses from every source, and, in the final analysis, an increase in numbers on the ranges." Well, if there is any one thing in this wide world that is not on the rangemen's lesson-book, it is the advocacy of selling off she-stock from the cowman's range when prices are high and everything looks prosperous. The cowman's lust for numbers, regardless of future conditions or the lessons of the past, has been his undoing ever since the open range business began. The Taylor Act will, however, probably take care of considerable of that kind of management, which, in the end, may justify Mr. Carpenter's administration of grazing on the public domain.

WILL C. BARNES.

WHAT THE GOVERNMENT IS DOING

AT WASHINGTON

TWO OLEOMARGARINE BILLS HAVE BEEN INTRODUCED in the House by Richard M. Kleberg, of Texas. One of the measures provides for a 10-cent per pound tax on all oleomargarine made from foreign oils, and the other would establish an 80 per cent fat standard for margarine. The first of the bills is similar to laws recently passed in a number of states. The American National Live Stock Association has been pressing for this kind of legislation for the past three years.

* * *

Marvin Jones, of Texas, has introduced in the House a measure that would give the Intermediate Credit Banks, which are the discount banks for farm credits, the same privilege of issuing reserve notes that the Federal Reserve Banks now have. The 40 per cent reserve would be provided, and the 60 per cent farm and ranch paper would be used just as commercial paper is now used for Federal Reserve notes. The plan would have the effect of further reducing interest rates on all types of farm paper.

* * *

Representative Biermann, of Iowa, in H. R. 5735 proposes to label, mark, and tag boots and shoes. This matter has been under consideration for some time, due to the increasing use of substitutes for leather in the boot and shoe trade. Secretary Mollin, when in Washington recently, attended a conference at which a preliminary draft of the bill was discussed.

* * *

The various transportation bills now before Congress—providing for federal regulation of motor buses, as well as auto and water traffic, enlargement of the Interstate Commerce Commission to sixteen instead of the present eleven members, amendment of the short-haul clause, etc.—are being considered in the Interstate Commerce Committees of the two houses. Testimony on several of these measures by Charles E. Blaine, traffic counsel for the American National Live Stock Association, is given in full in this issue under "Our Traffic Problems."

* * *

The AAA amendments—which would revise various provisions of the Agricultural Adjustment Act to permit use of government funds to acquire pledged farm products, provide for payments of benefits in kind (which means that the government could redistribute as benefit payments farm products acquired in times of surplus yields), and authorize the issuance of licenses and the examination of the books of parties to marketing agreements—are before the Agricultural Committees. It will be noted in another part of this issue that the Committee of Twenty-five has expressed reservation with respect to the licensing amendment, to the effect that licenses be imposed only if the proposal is initiated by at least 50 per cent of the producers affected, and that the use of proceeds from benefit payments should be limited to the specific commodities taxed.

* * *

The farm credit bill, S. 1384, with its interest rate reduced from 4½ to 3½ per cent, passed the Senate on February 11. The bill extends to February 1, 1940, the time that loans may be made by the Land Bank Commissioner under the Farm Credit Administration.

* * *

The bill, H.R. 3247, for crop-production loans in drought-stricken areas, limited in conference to $60,000,000, was signed by the President on February 20.

* * *

Senator Wheeler, of Montana, is the sponsor of a bill that would levy a graduated tax on corporations, beginning with 2 per cent on net capital returns over $3,000,000, and increasing to 25 per cent on net returns above $50,000,000.

AMERICAN NATIONAL LEGISLATIVE COMMITTEE IN ACTION

THE LEGISLATIVE COMMITTEE OF THE AMERICAN National Live Stock Association met at Denver on February 23 to consider action to be taken relative to the amendments introduced to the Agricultural Adjustment Act. Inasmuch as the Committee of Twenty-five, which included most of the Legislative Committee, had just been summoned to Washington for a meeting, it was deemed best to defer any positive action until that meeting. Chairman Hubbard Russell, J. Elmer Brock, and C. J. Abbott, together with President C. E. Collins and Secretary F. E. Mollin, all proceeded to Washington. After the conclusion of the conference of the Committee of Twenty-five, the Legislative Committee, together with President Collins and Secretary Mollin, determined its attitude on both pending and proposed amendments to the AAA, and delegated Mr. Mollin to speak for the committee. His testimony before the House Agricultural Committee follows:

"My name is F. E. Mollin. I am secretary of the American National Live Stock Association, with headquarters at Denver, Colorado. This is a voluntary organization of range cattle-producers. We have affiliated with us the principal state, regional, and local cattle organizations in the seventeen states west of the Missouri River, and, in addition, have hundreds of individual members.

"I am appearing at the special direction of our Legislative Committee, whose members have made a careful study of H.R. 5585, and likewise have considered carefully the suggestions made by Chester Davis as to additional amendments which are being prepared by farm organizations.

"Right here it might be well to refer to the National Agricultural Conference, about which organization you have heard a good deal in connection with the suggested amendments. You were advised that its membership was composed of the two national farm organizations, the National Institute of Co-operatives, and the agricultural editors. I wish to state that this conference has denied membership to both the national organizations of range cattle-producers and range sheep-producers. I will leave it to your committee to try to figure out just why a so-called National Agricultural Conference includes editors, but not live-stock producers.

"Referring specifically to the bill, I call attention to sub-section 2, beginning on line 6, page 2. It would seem only fair that the acquisition of any agricultural commodity, as provided in that paragraph, should be financed by taxes likewise imposed upon that commodity. In other words, I believe every agricultural commodity group, unless it has something to gain by putting all the funds in one jack-pot, would prefer to stand upon its own bottom; that taxes raised upon cotton should not be used to buy corn, or vice versa. This matter becomes of even greater importance in connection with other amendments, to be discussed later.

"With reference to Section 3, likewise beginning on page 2 of the bill, our committee, after careful study, has suggested that, before licenses were issued, as provided in this section, there should be the approval of at least 50 per cent of the producers (by number or by volume) of the commodity involved in any marketing plan or marketing agreement under consideration. This would seem like a reassuring check upon autocratic control of any industry, and would tend to bring producers and processors into closer co-operation with each other. I do not believe that any agricultural commodity group would profit by the imposition of a license upon hostile processors, but I do believe that, given the opportunity, producers and processors in any given industry should be able to work out marketing agreements and programs that will be to their mutual benefit, help advance the purposes of this act, and, at the same time, remove unfair practices among the processors involved.

"To refer specifically to our own industry, our committee last year spent many weeks trying to secure the adoption of a packer marketing agreement. Our course was first directed to this channel by responsible officials of the AAA. We held many conferences with the Processors' Committee, and eventually got it to agree to accept the agreement after many modifications in the interest of the live-stock producers affected by it. The department, however, was unwilling to go ahead with the plan. We still favor such a plan.

"With reference to Section 5, paragraph 6, beginning at the top of page 8, we would suggest that the provision calling for approval by at least two-thirds of the producers would practically eliminate the possibility of ever securing any marketing agreement with quota or allotment provisions which would be national in scope, because it would be a physical impossibility ever to secure the approval of two-thirds of the producers of any basic commodity. It would, however, under paragraph 2 of Section 8 of the present law, be possible to enter into such marketing agreements without provision for establishing quotas or allotments.

"With reference to the proposal for placing a processing tax upon live stock, the proceeds of which need not be paid back to the producers thereof in benefit payments, but which can be used either for the purpose of paying benefits to producers of grain-feed crops, or for the purpose of providing export outlets, we wish to register very definite disapproval.

"I would call your attention first to the fact that the cattle industry was very reluctant to come into the agricultural adjustment program. We were repeatedly assured, however, that, even though cattle were made a basic commodity, no program would be undertaken without the approval of a substantial majority of the industry. With that understanding, the objection of our association to cattle becoming a basic commodity was withdrawn. You will recall that the amendment to the act making cattle a basic commodity was carried in the Senate by a majority of only one vote.

"Chester Davis stated in his testimony that it was possible, under the present act, to take money raised by taxes upon one commodity and use it in the payment of benefits upon other commodities, the only requirement being that a program must be in operation with reference to a given commodity before a tax can be levied. I assume that he referred to the general provisions on page 18-b of the compilation of the Agricultural Adjustment Act, as amended, in which the proceeds derived from all taxes are appropriated to be available to the secretary.

"I would call your attention, however, to the language on pages 12 and 13 of the compilation, in Section 9 (a) and (b), in which the method of providing for rental or benefit payments, and processing taxes in connection therewith, is set forth. It states clearly that, whenever rental or benefit payments are to be made with respect to any basic agricultural commodity, the secretary shall proclaim such determination, and a processing tax shall be in effect. Later it states: 'The rate of tax shall conform to the requirements of sub-section (b).'

"Sub-section (b), at the top of page 13, reads:

" 'The processing tax shall be at such rate as equals the difference between the current average farm price for the commodity and the fair exchange value of the commodity.'

"I think it is clearly the spirit and intent of the present act that the processing taxes raised on any given commodity shall be paid to the producers of that commodity, minus the necessary administrative expenses. The program has been 'sold' to the country on that basis. It has been repeatedly stated by high officials of the department that such was the plan. A year ago last fall—on October 30, I believe—a hearing was held to determine whether there should be compensating taxes on beef, lamb, poultry, and fish, in connection with the processing tax on pork. At that time we were assured that any compensating tax which was placed upon beef would be used entirely for the benefit of the cattle industry; that the proceeds from such tax could not be used in payment of benefits to individual producers. Instead, they could be used for the purchase of surplus products on the market, or in other ways that would indirectly benefit the industry.

"Our annual convention met at Rapid City, South Dakota, a few weeks ago, and a representative of the AAA, who was delegated to address it, on January 10 made the following statement:

" 'Chester Davis told me to tell you that at this time there is no contemplation whatsoever in Washington with respect to a processing tax on cattle. Some time during the year it is possible he will have the producers' Committee of Twenty-five assemble to discuss problems facing the industry, and make decision whether there should be an adjustment program; and that naturally would involve decision as to what the policy would be with respect to a processing tax. Until such meeting, it was not his intention to give serious consideration to levying a processing tax.'

"The Committee of Twenty-five, referred to above, was suddenly called to meet in Washington on February 27 and 28, and it was with some surprise, in view of the statement quoted above, that they heard Mr. Davis' statement to your committee that the administration was in sympathy with the plan advanced by the farm groups—not the cattle- and sheep-producers—for the levying of a processing tax upon all kinds of live stock for the handling of a feed-control program.

"Mr. Davis referred to the program advanced as being 'economically sound.' May I suggest that he should have said 'theoretically sound'? It is my understanding that the department has already announced that the corn reduction for the year 1935 will not be less than 10 per cent. I do not believe there is any assurance that a reduction of 10 per cent in corn acreage this year will have any appreciable effect upon live-stock production. There is nothing to prevent non-signers from increasing their acreage of corn. There is nothing to prevent the growing of increased amounts of various supplemental feeds—soya-beans, sorghums, etc.—or the feeding to cattle, hogs, and sheep of increased amounts of the normal production of many supplemental feeds. It does not seem to me in any way justifiable to place a tax of $25,000,000 upon the cattle industry, $15,000,000 or $20,000,000 upon the dairy industry, and $2,000,000 or $3,000,000 upon the sheep industry, to be paid to the producers of feed crops, with no more assurance of concrete results than is offered in the present program. Boiled down to a single sentence, it would appear that the cattle-producers would be subscribing to a plan which, if it worked, would raise the price and reduce the crop of corn, thereby reducing the demand for their feeder cattle. The same would automatically be true of sheep.

"But even if the program works as its sponsors claim, I call your attention to the fact that the beef-cattle industry is on an import, and not an export, basis. I hand you, for your consideration, a table showing the exports and imports of

cattle and beef—canned, fresh, frozen, and cured—for the fiscal years 1890 to 1934, inclusive. I have marked a division at the year 1910, and call your attention to the fact that our exports—with the exception of the war period, with its consequent meatless days, which will not soon be forgotten by the live-stock industry of this country—taper right down, until they reach a practical zero the last few years.

"On the other hand, ever since 1910 our imports have been of consequence, running on the average from 100,000 to 500,000 cattle annually, with rather substantial imports of canned beef and inconsequential amounts of fresh, frozen, and cured beef. The year immediately following the passage of the Smoot-Hawley Tariff Act our canned-beef imports dropped to 16,000,000 pounds; but for the calendar year 1933 they were 43,000,000 pounds, for the calendar year 1934, 46,000,000 pounds, and for the month of December, 1934, alone they exceeded 7,200,000 pounds.

"In recent weeks there have been several shipments of Canadian cattle on the Chicago market, paying the tariff of 3 cents a pound on cattle weighing to exceed 700 pounds; and, if the secretary's prediction of higher meat prices comes true, the shipments from that country will naturally increase. There is Canadian dressed beef in the Washington market today, an official of the Bureau of Agricultural Economics told me this morning; also in other eastern consuming centers.

"There are now feeding in this country thousands of Mexican cattle which have not paid the duty, but are being held in bond; the duty to be paid when they go to market. Speculators are busy in northern Mexico, and thousands of cattle are already coming in. It is estimated by a reliable authority that as many as 300,000 head will cross the border this spring.

"It would seem, therefore, that the only practical result, if a processing tax were levied on cattle, and meat production were thereby decreased as planned, would be to provide an additional market for imports from Canada, Mexico, Argentina, and Uruguay, as we get substantial imports of canned beef from the latter two countries.

"It is our understanding that the proposed amendment will specify a maximum tax of 30 cents per 100 pounds on cattle, which could be used for the purposes described above, and that it will provide an unlimited tax, subject to the attainment of parity price, for use in providing export outlets. While this may be a perfectly proper field for the hog-producer, who has long been an exporter and whose problem has largely been created by the loss of export outlets, our objection to it would be for the same reason outlined above—that we are on an import, and not an export, basis. If we could not enter the export trade on beef at the very low prices which prevailed last fall, but, instead, were forced tremendously to increase consumption in this country at low prices, to take care of the large supplies forced onto the market, then I think it is clearly evident that we are permanently out of the export trade.

"Beef and veal per-capita consumption in 1932 was 54.2 pounds; in 1933, 60 pounds; and in 1934, 74.7 pounds.

"The Department of Agriculture estimates for January 1 indicate a cattle and calf population of 60,667,000 head. The corresponding figure a year ago was 68,290,000 head—a reduction of 11.2 per cent. There seems to be a common assumption that, unless something is done by the industry, we shall, within a very few years, fall right back into a situation such as existed a year ago, when we admittedly had too many cattle for the demand that existed at that time. This assumption, on close examination, does not appear tenable. The overproduction in relation to the demand which existed a year ago was due to a combination of circumstances which we all hope and believe will not occur again for many years to come. The first, and perhaps the most important one, was the great reduction in purchasing power; second, due to this reduction in purchasing power, prices had declined to such a degree that the old cows which should be culled from the herds annually in a few instances did not even pay marketing costs. In practically all instances, their net return was so small that the ranchmen themselves and their creditor loan companies jointly preferred to delay marketing, in the hope of an upturn in the price. Every hundred head of cows shipped made the loan look that much worse on paper. This surplus accumulation of old cows is now gone, thanks to the drought, and the forced liquidation incident thereto.

"A representative of the Farm Credit Administration stated to the Committee of Twenty-five this week that it would be its policy to insist upon reasonable annual marketings. Representatives of the Taylor Grazing Administration and of the Forest Service likewise told the committee that retrenchment would be necessary upon these public lands. Unless the drought condition that still exists between the Rockies and the one-hundredth meridian—and, indeed, in some other sections of the West—is broken this spring by generous rains, no one will have to tell the stockmen of that territory still further to reduce their herds. It will automatically be done. The calf crop of 1935, due to the drought conditions of 1934, will be very light.

"The disease program of the Bureau of Animal Industry is under full swing. This work is continuing with funds appropriated to carry it on for the fiscal year 1935.

"In the main, the above recommendations conform closely to those made by the Committee of Twenty-five, which, in addition, recommended that any control of the industry shall be handled through a marketing agreement. It is our understanding that those recommendations are to be incorporated in this record.

"Otherwise, I think I am safe in saying that the range cattle-producers would prefer to meet whatever situation may arise in the future on the merits of the case as it presents itself, but that they are whole-heartedly opposed to being drawn into a situation where they have little to gain and much to lose, and, worse yet, will have no control, or no voice, in working out the programs of grain, feed, and live-stock control into which they will be drawn."

JOINT CONFERENCE WITH FOREST GRAZING OFFICIALS

On SATURDAY, MARCH 2, DELEGATIONS REPRESENTING the National Wool Growers' Association and the American National Live Stock Association conferred with Chief Forester Silcox and Assistant Forester Rachford in regard to various problems affecting the forest grazing administration. The wool-growers were represented by F. R. Marshall and I. Jacob of Utah, A. A. Jones of Arizona, J. B. Wilson of Wyoming, and James G. Brown of Colorado; the American National, by J. Elmer Brock of Wyoming, Thomas A. Ross of Montana, C. L. Jamison of Oregon, and Secretary F. E. Mollin.

It was suggested that an economic study should be made of the grazing problems in the West, including the subject of the relation of the Forest Service to the Taylor Grazing Administration, and that there should be no definite decision in regard to cuts until the facts were assembled and proper consideration given to the conflicting interests involved. Mr. Silcox indicated that he is already considering such a study, and expected that a definite announcement of it would be made very shortly. He indicated that the state planning boards would be consulted in arriving at a solution of this problem, but that, after they had made such recommendations as they saw fit, an opportunity would be given to representatives of the live-stock industry to confer with the forest officials before definite conclusions were reached. It was pointed out that this was essential for the protection of the interests of the live-stock industry, because their representation on the the state planning boards is a very minor one.

In order to co-ordinate the forest grazing service with the Taylor Grazing Administration, it is planned to issue only annual permits for the next two years, at which time term permits will again be considered. The forest officials are conferring with officials of the Farm Credit Administration, as well as with Director of Grazing F. R. Carpenter, and it is believed that a way will be found to work out the entire matter of grazing regulations, so that there will be sufficient stability in the operation to facilitate the making of federal land bank loans on ranch lands.

BEEF-CATTLE COMMITTEE ACTS ON AAA AMENDMENTS

WITH TWO RESERVATIONS, THE AMENDMENTS TO the Agricultural Adjustment Act (H.R. 5585) were indorsed by the Committee of Twenty-five, representing the beef-cattle industry, meeting with the Department of Agriculture on February 27 and 28.

The first reservation would add to the licensing amendment a provision to the effect that licenses can be imposed upon processors, distributors, or handlers to carry out a marketing plan only if the proposal is initiated by at least one-half of the producers affected. The second reservation would limit the use of proceeds from benefit payments to the specific commodities taxed.

The committee proposed that the Secretary of Agriculture authorize the administrator of the Agricultural Adjustment Act to name a standing committee to develop a marketing agreement for cattle and its products. This committee would consist of two officials from the Department of Agriculture, two packers (one representing the so-called "Big Four" and one the other packers), two representatives of the retail trade, and seven cattle-producers. In conjunction with the marketing agreement, a production-control program was recommended.

Adopting the report of its subcommittee on credit, the Committee of Twenty-five asked for the maintenance and extension of proper credit facilities for the live-stock industry, the exercise of great care in the liquidation of regional agricultural credit corporations, authorization to the production credit associations to take over regional loans on a first- and second-mortgage basis, and a study of the possibility of establishing credit facilities for tenants who wish to become landowners. The report further urged that no extension of credit be made on the basis of inflated values, or to new or untried operators.

Consideration was also given to a proposed amendment which would provide for financing, through a processing tax on live stock, a feed-grain program as a means of live-stock production control. By a vote of twelve to ten, with two members not voting, the committee went on record as not favoring a processing tax on cattle for the benefit of grain-producers. The American National Live Stock Association led the fight against this tax.

Opposed to the tax were: C. J. Abbott and Carl S. Horn, Nebraska; J. Elmer Brock, Wyoming; Frank Delaney and Charles E. Collins, Colorado; Kenneth Hones, Wisconsin; James Tod, Kansas; W. B. Mount, Tennessee; C. L. Jamison, Oregon; A. J. Olson, Minnesota; Thomas A. Ross, Montana; and Hubbard Russell, California.

Those who voted in favor of it were: A. L. Berg, South Dakota; Marion R. Finley and H. H. Parke, Illinois; Thomas B. Glascock, Virginia; R. M. Gunn and F. F. McArthur, Iowa; C. W. Rittenour, Ohio; Joe Robinson, Pennsylvania; J. Blaine Shaum, Missouri; and E. B. Weatherly, Georgia.

Not voting: L. A. Chapin, New York. Absent: Grover B. Hill, Texas.

A general resolution opposed any decrease in tariffs on importations of live stock or live-stock products. Another resolution favored a plan for the grading and stamping of beef.

The subcommittees named at the conference, and their members, were:

Legislative—C. J. Abbott, Hyannis, Nebraska; J. Blaine Shaum, Tarkio, Missouri; Thomas B. Glascock, Upperville, Virginia; J. Elmer Brock, Kaycee, Wyoming; Grover B. Hill, Amarillo, Texas; Marion R. Finley, Hoopeston, Illinois; A. L. Berg, Baltic, South Dakota; F. F. McArthur, Oakland, Iowa.

Marketing—Hubbard Russell, Los Angeles, California; R. M. Gunn, Buckingham, Iowa; Frank Delaney, Glenwood Springs, Colorado; H. H. Parke, Genoa, Illinois; Kenneth Hones, Colfax, Wisconsin; Joe Robinson, Mercer, Pennsylvania; Carl S. Horn, Hay Springs, Nebraska; E. B. Weatherby, Cochran, Georgia.

Credit—Charles E. Collins, Kit Carson, Colorado; W. B. Mount, Shouns, Tennessee; James Tod, Maple Hill, Kansas; G. W. Rittenour, Piketon, Ohio; C. L. Jamison, Klamath Falls, Oregon; A. J. Olson, Renville, Minnesota; Thomas A. Ross, Chinook, Montana.

PACKERS ADOPT GOVERNMENT RECOMMENDATIONS ON DIRECT BUYING

BEGINNING ON MARCH 4, THE PACKER MEMBERS of the Association to Maintain Freedom in Live Stock Marketing, representing more than 80 per cent of all live stock marketed direct and slaughtered under federal inspection, will put into practice the recommendations recently made in the report of the Bureau of Agricultural Economics on direct marketing, it is announced in the *National Provisioner*.

The changes inaugurated are: the virtual abolition of the so-called "board-price," with its variable "adds" consequent on "fills," quoting, in its place, a full range of prices for good, choice, and medium grades of hogs; discontinuance of docking stags and "piggy" sows to compensate buyers for extra waste, such animals henceforth being bought and sold at prices and weights commensurate with their actual worth; scale inspection once a month by federal, state, or local officials; and adoption of federal standards of weights and grades.

INCREASE IN BUSINESS OF INTERMEDIATE CREDIT BANKS

VOLUME OF BUSINESS OF THE TWELVE FEDERAL Intermediate Credit Banks increased 45 per cent in 1934, as compared with 1933, according to a statement issued by W. I. Myers, governor of the Farm Credit Administration. Total credit extended to financing institutions and co-operative associations in 1934 amounted to $405,885,559, compared with $278,673,376 in 1933.

Of the total volume of credit extended during the year, about 31 per cent represented paper discounted for privately capitalized commercial banks, agricultural credit corporations, and live-stock loan companies; about 28 per cent represented notes discounted for the regional agricultural credit corporations; 27 per cent represented loans and discounts for production credit associations; and 14 per cent represented loans to farmers' co-operative marketing and purchasing associations.

Ready demand for short-term investments enabled the banks to lower their debenture rates early in 1933 from 2½ to 2 per cent, and then to 1½ per cent during the last six months of the year. As a result, the interest charged discounting institutions and co-operative associations was lowered to 2 per cent.

Net earnings of the intermediate credit banks for the year 1934 amounted to $2,872,041. Net charge-offs from the time of organization to date were $10,183,453, or 0.43 per cent of the total volume of loans and discounts since 1923.

The paid-in capital of the twelve Federal Intermediate Credit Banks on December 31, 1934, was $70,000,000, and paid-in surpluses aggregated $30,000,000. In addition, earned surpluses and reserves for contingencies amounted to $3,396,880.

TRANSFERS IN FOREST SERVICE STATIONS

SEVERAL REASSIGNMENTS IN THE RESEARCH organization of the Forest Service are announced by F. A. Silcox, Chief Forester. C. L. Forsling, at present director of the Intermountain Forest and Range Experiment Station at Ogden, Utah, will become director of the Appalachian Forest Experiment Station, with headquarters at Asheville. Mr. Forsling is an authority on forest watershed protection. E. H. Frothingham, who has served as director of the Appalachian station since its organization in 1920, will concentrate his efforts on silvicultural research. Professor Reed W. Bailey, of the Utah State Agricultural College at Logan, will become director of the Intermountain station, with headquarters at Ogden.

NEARLY HALF MILLION SIGN NEW CORN-HOG CONTRACTS

SIGNERS OF APPLICATIONS FOR THE 1935 CORN-hog adjustment contracts now number more than 450,000, it is announced by the Agricultural Adjustment Administration. The estimate was based on reports from extension directors in the major corn- and hog-growing states.

It is expected that the corn and hog production to be represented by the 1935 contract-signers probably will compare favorably with the total production put under contract last year, and that the majority of signers will hold out of corn production nearer the maximum of 30 per cent of the base (1932-33 average) acreage than the minimum of 10 per cent allowed under the new contract.

NEW POLICY ON USE OF WITHDRAWN CORN LAND

LAND HELD OUT OF PRODUCTION OF CORN FOR grain under the 1935 corn-hog contracts may now be planted without limitation as to any other crop than corn. This policy, the Agricultural Adjustment Administration announces, has been adopted because of the serious feed situation that will exist in the drought areas during the next five or six months, and the consequent need for minimum restrictions on the planting of early-maturing emergency crops.

HOG SLAUGHTER TO DECREASE

SMALLER SLAUGHTER SUPPLIES OF HOGS IN MOST European countries, and a sharp reduction in hog slaughter in the United States, are in prospect this year, says the Bureau of Agricultural Economics in its current report on world hog and pork prospects. Total exports of pork and lard in 1935 from the United States will be the smallest in several years, it is predicted.

Some decrease in hog slaughter in Germany is expected during the latter half of this year, but an increase is looked for in Denmark. Hog slaughter in Great Britain may increase this year over last. A marked increase in hog numbers in Russia was reported for 1934, but, even now, there are fewer hogs there than during the 1926-30 period.

International trade in hogs and hog products in 1934 was considerably less than in 1933, because of decreases in hog production in surplus hog countries, and increased production and tightening of import restrictions in deficit countries. It is stated that prospective supplies of lard in Europe this year will be reduced in somewhat greater proportion than the supplies of hogs.

OUR TRAFFIC PROBLEMS

TRAFFIC AND TRANSPORTATION

BY CHARLES E. BLAINE

Traffic Counsel, American National Live Stock Association

Fill Allowances on Sheep, Lambs, and Goats

AS STATED AT PAGE 20 OF THE OCTOBER, 1934, issue of the AMERICAN CATTLE PRODUCER, this office filed application with the carriers for fill allowances on sheep, lambs, and goats, ranging from 150 to 250 pounds per single-deck car and from 300 to 500 pounds per double-deck car, where such live stock is fed and watered before being weighed.

Generally speaking, our application has been approved, and such allowances have been, or are now being, established. In Western Trunk-Line Territory they became effective January 1, 1935; in North Pacific Coast Freight Bureau Territory, January 20, 1935; and on transcontinental traffic, March 1, 1935. We are handling the matter with the Southwestern Lines and Pacific Freight Bureau Lines, and, from reports recently received, no doubt similar allowances will be established on those lines within the near future; thus making the application of these fill allowances universal throughout the Western District of the United States.

Ex Parte 115—Increases in Freight Rates and Charges

On page 11 of the September, and page 19 of the October, issues of the PRODUCER we dealt with the above-entitled proceeding, wherein the railroads and some of the water lines seek increases in freight rates and charges of varying amounts, averaging about 10 per cent.

Oral argument in this proceeding was completed on January 15, 1935, before the entire membership of the Interstate Commerce Commission. Decision of the commission may be expected at any moment.

Motor-Vehicle Legislation

We have dealt with this subject in various issues of THE PRODUCER during the past several years. Two bills dealing with this matter—H. R. 5262, introduced by Representative Huddleston, of Alabama, and S. 1629, introduced by Senator Wheeler, of Montana—are now before Congress. These bills, if enacted into law, would, among other things, authorize and empower the Interstate Commerce Commission to prescribe both maximum and minimum rates to be established and maintained by motor carriers. The hearings on the House bill were begun February 19 before the Motor-Vehicle Subcommittee on Interstate and Foreign Commerce. Hearings on the Senate bill began before the Interstate Commerce Committee on February 25. Responsive to the resolution adopted by the American National Live Stock Association at its Rapid City convention, I have appeared at these hearings in opposition to the rate-making provisions of the above bills, testifying as follows:

"I am appearing here on behalf of the American National Live Stock Association, of which I have been traffic counsel for the past six years; the National Wool Growers' Association, the Salt River Valley Water Users' Association, the Apache Powder Company, the United Verde Extension Mining Company, the Tovrea Packing Company, the Allison Steel Manufacturing Company, and the Capital Fuel and Feed Company, in opposition to certain of the provisions of the proposed legislation. . . .

"Although my principals are opposing certain sections of the proposed legislation, they are in favor of regulation of the motor carriers in the public interest. They pay the transportation charges. Therefore the subject of this hearing is of great concern to them. Such charges are an important element of their costs of production.

"Railroad rates on live stock prescribed by the Interstate Commerce Commission since 1930 range from 20 to 84 per cent higher than those previously prescribed by the commission and in effect prior to 1918. On the other hand, farm values per head of live stock on January 1, 1934 (which is the latest period for which authentic data are available), as found by the Department of Agriculture, ranged from 16 to 62 per cent below the average values found by the same body as of January 1, 1915.

"On account of the wide spread between the high railroad rates and the drastically depressed live-stock values, it was necessary that the live-stock industry secure lower transportation costs for the movement of its products. Hence in 1933, 29,542,873 head of cattle, calves, hogs, and sheep were moved by truck to seventeen of the principal live-stock markets—48.73 per cent of the total received. This may be compared with but 1.61 per cent in 1916. In 1934 there were 29,279,440 head of live stock, or 46.94 per cent of the total, moved to the same markets by truck. This represents a decline of approximately 2 per cent, which is due to the fact that the Federal Surplus Relief Corporation would not permit its purchases to be moved by truck. Prior to 1934 the truck movement for a number of years had been increasing at the rate of approximately 8 per cent per annum.

"For many years practically all the wool produced in the twelve westernmost states moved eastward by rail to Boston, Massachusetts. In 1923, when the price of wool was about 38 cents, the commission prescribed rates on wool via the railroads for the east-bound movement to Boston and the west-bound movement to the Pacific-coast ports. Shortly thereafter, with the advent of truck transportation, much of the wool for the west-bound movement was diverted from the rail lines to motor trucks and transported to the Pacific-coast ports, and thence by water through the Panama Canal, thus affecting substantial savings for wool-producers. Wool from Arizona is still moving by truck to Los Angeles harbor, and thence by water. From the other points in the Mountain-Pacific Territory the rail lines reduced their rates on wool to the Pacific-coast ports, and have been successful in securing the return to their lines of a substantial portion of such movement. . . .

"In recent years the railroads have materially reduced their rates, not only on live stock, but on wool as well.

"Our approach to the proposed legislation is from these angles:

"A. That the American public is entitled to use the most efficient and economical means of transportation as they are developed. Only the adherence to this principle will encour-

age initiative, research, and industry in the existing forms of transportation, to say nothing of the development of still newer and more efficient and economical means.

"B. That no regulation or restrictions should be imposed upon any form of transportation merely for the purpose of benefiting some other form of transportation.

"C. That the Interstate Commerce Act was passed for the protection of those who pay the rates. The standards it establishes are transportation standards, not criteria of general welfare, as stated by the Supreme Court in the recent Texas and Pacific case.

"Certain fundamental provisions of the proposed law are *at this time* premature, and wholly incompatible with the foregoing sound principles, which should be controlling here. Hence we are unalterably opposed to the proposed legislation, primarily with respect to motor trucks, as trucks are of great importance to, and used extensively in, the live-stock and other industries for which I speak. However, many of the reasons underlying our objections likewise apply to those provisions of the proposed law governing motor buses.

"The first railroad was placed in operation in 1830—105 years ago. Thereafter construction progressed very rapidly, particularly after the middle of the last century, and the earlier forms of transportation rapidly disappeared, thus giving the railroad a monopoly until very recent years.

"The transition in the transportation field was the result of the march of progress. It was not retarded by the enactment of legislation antagonistic to the railroads for the purpose of hamstringing them in their competition with the earlier and now extinct forms of transportation. Our forefathers were far too wise to take such action. On the contrary, with the advent of the railroads the government stopped its plans for an internal waterway system, and made huge subsidies to encourage railroad construction.

"The first railroad regulation was enacted in 1887—fifty-seven years after the first railroad began operation. However, such regulations did not secure their teeth until twenty years thereafter.

"During all this period the railroads have utterly ignored the cost of the service when establishing and maintaining their rates. On the contrary, they have established and maintained their rates on what their representatives thought the traffic would bear.

"Although the railroads have been subject to federal regulation by the commission for approximately forty-eight years, their present rates, generally speaking, are not construed with regard to the cost of the service. This is due largely to the fact that the cost of the service in transporting any given commodity between any two points is not available. The managements of the railroads not only say they do not know the cost, but vigorously resisted for many years every attempt on the part of the commission to secure such costs. However, the commission persisted and finally succeeded in procuring the average costs of moving all traffic for each of the years subsequent to 1927.

"The impracticability of utilizing such average costs as basis for construction rates for the rail lines prompted Congress to enact Section 13 of the Emergency Railroad Transportation Act, 1933, which requires the co-ordinator to investigate 'cost-finding in rail transportation.' Mr. Eastman's report to Congress (Senate Document No. 119) on page 65 shows that he immediately conducted such task, which is not yet completed.

"The railroads are still adamant in their position that their rates should not only be made, but continued, upon the basis of what their representatives think the traffic should bear. This is evidenced by their petition to increase freight rates, generally speaking, 10 per cent, filed with the commission last fall in Ex Parte No. 115, which proceeding has been submitted to the commission for decision.

"Regulation of the railroads for nearly half a century has not produced a national co-ordinated system. On the contrary, while the railroads together form what is, in many respects, a joint transportation system, they are separately owned and managed, they compete fiercely with each other, and there has been no effective centralization of authority over matters of common concern. Consequently there is much duplication, waste, and inability to work and plan together for the common good, particularly in meeting the rapidly growing competition of other transportation agencies. . . .

"Manifestly neither the motor vehicles nor their rates are responsible for these ills of the railroads, including their practice of making their rates on the basis of what they think the traffic will bear. Consequently we find it impossible to see how the enactment of the proposed legislation will, as contended by its sponsors, produce a system of transportation which will supply the most efficient means of transport, and furnish service as cheaply as is consistent with fair treatment of labor, and earnings which will support adequate credit and the ability to expand as need develops, and to take advantage of all improvements in the art.

Genesis of Proposed Legislation

"The proposed legislation is not new. It was first enacted in the several states at the instigation of the railroads. It became effective with respect to common carriers in Arizona in 1919, and with respect to contract carriers in 1933.

"That the railroads have spent large sums of money to secure such legislation governing motor-vehicle transportation in the various states is evidenced by the investigation conducted and report rendered by the commission, dated January 2, 1935, in Docket No. 26425. . . .

"Subsequently the state laws thus procured were recommended by the National Association of Railroad and Utilities Commissioners to the commission, Congress, and the co-ordinator for adoption in interstate and foreign commerce, for the purpose of enabling the state authorities to tighten up their enforcement on intrastate traffic. The co-ordinator adopted, generally speaking, the recommendations of the state authorities.

"That the proposed law, as a whole, is not in the public interest is evidenced, we think, by the fact that no provision is contained therein for the redress in the form of reparation to shippers because of unreasonable rates. Apparently it is the thought of sponsors of this legislation that its mere enactment will *ipso facto* make every rate of the motor carriers just and reasonable. That assumption is not supported by experience with the railroad rates, much less those of the motor carriers.

"I have watched very carefully the administration of the law in some of the several states, which is substantially the same as that here proposed on interstate traffic. To say that it is burdensome on the shipping public is putting it mildly. An applicant for a certificate of public convenience and necessity to operate as a common carrier, or one for a permit to operate as a contract carrier, is immediately confronted at the hearing by a flock of railroad attorneys in opposition to the granting of such certificate or permit. Consequently many meritorious operators have been denied authority at law to serve the public. This has reacted against the shippers in such states, and they have been compelled to pay substantially higher transportation charges.

"The enactment of the proposed legislation would not produce the objective which the sponsors claim, but would (1) increase motor-carrier rates to the levels of the higher railroad rates, and thus perpetuate the present destructive practice of the railroads of making their rates on the basis of what they think the traffic can or should bear, as distinguished from the cost of the service; (2) indefinitely postpone, if not forever avoid, the railroads: (a) consolidating their properties; (b) pooling their traffic so as to eliminate the huge operating wastes now being incurred by them at the expense of the public; and (c) revamping their financial structure, and the curing of many other prevailing and serious ills stressed by the co-ordinator.

"These are the results obtaining under state regulation which are here proposed for interstate and foreign commerce. Practically all the states have authority at the present time to prescribe rates for common carriers by motor vehicle. Thirty-three states have exercised such authority. . . . Of these, at least twenty-six admit they either hold rail rates as *minimum* or consider them when prescribing truck rates. That is exactly what the rail lines desire.

"Moreover, we are convinced that the enactment of the proposed legislation would have the same result with respect to interstate traffic. In fact, such action must follow if that objectionable portion of Section 302, reading 'improve the relations between such carriers and other agencies of transportation,' is to be given force and effect. Nothing short of the railroad rates or higher rates for motor trucks will ever result in better relation on the part of the railoads with the motor trucks, unless, of course, the railroads can entirely eliminate the transportation by truck.

"While the sponsors of the proposed legislation readily concede that no form of transportation should be regulated merely for the purpose of placing a burden upon some other form, they admit that it would not be necessary to regulate contract carriers, as proposed by them, were it not for the fact that their failure to do so would react against the common carriers by truck. Hence it is obvious that the proposed legislation governing contract carriers is for the purpose of protecting the common carriers.

"However, we submit that there is still a hole in the sock—i. e., private carriers. With the passage of the legislation here proposed, many of the large firms would no doubt immediately place in operation their own fleets of trucks. This, in turn, would deprive both the common and contract carriers of much business. Moreover, it would not decrease the number of trucks on the highways, but, on the contrary, would appreciably increase the use of the highways. Common and contract carriers usually arrange to handle a load in both directions. That would not be possible for private carriers in a large number of cases. Hence the private trucks would return empty, thus requiring in the aggregate a greater number of private trucks to perform the same service now being conducted by the common and contract carriers.

"The diversion of the traffic from the present carriers to private vehicles would substantially decrease the revenue now being derived by the various states in the form of occupation taxes. This tax is in addition to the property, tag, register, and fuel taxes imposed by state authorities. It is not upon any uniform basis. In some states, such as Arizona, the occupation tax is 2½ per cent of the gross earnings of the common or contract motor truck. In California it is 5 per cent of such gross earnings. In some of the other states it is on the basis of so much per mile. This tax is substantial in amount. It is paid only by the common and contract carriers. The private carriers are not required to pay such tax. Consequently the diversion of traffic from the common and contract carriers to the private carriers would, as previously stated, drastically reduce the revenue now being secured by the various states from the highway-users.

"There is still another important and destructive result which would obtain. Only the larger shippers, with a substantial traffic, would place their own private trucks in service. The 'little fellow' is not financially able, in many cases, to do this. Hence he would be compelled to pay the truck or railroad rates in the conduct of his business, while his larger competitor would secure the benefit of lower transportation charges. Therefore the proposed legislation, we respectfully submit, is not in the public interest.

"We are unalterably opposed to Section 313, which would, among other things, authorize the railroads to acquire the motor-vehicle lines now in operation, thus restoring to the railroads the monopoly which they had for so many years. The acquisition by the railroads of their motor competitors is not compatible with the experience of the public with respect to the acquisition of water lines by the railroads. As is well known, the railroads, for many years, acquired and operated vessels on the rivers, in the harbors, and in coast-wise service, in competition with independent parties, as well as their own railroads. On commencing such operations, it was their practice immediately to reduce their rates to such low levels that their independent competitors could no longer remain in the service. When the railroads had wiped their competitors from the face of the waters, they immediately increased their boat rates to the level of the rail rates, or abandoned the water service entirely. Congress recognized that such action was contrary to the public interest. Hence, in 1914, it enacted into law Section 5 (19), which prohibits railroads operating boats in competition with their rail lines. The same prohibition should apply with respect to the railroads operating motor vehicles. It is a known fact that the operation of motor buses by some of the railroads has resulted in increased loss of revenue from their railroad passenger operations.

"The commission in 1931 pointed out to the railroads that their passenger earnings were failing by approximately $450,000,000 annually to pay a fair proportion of the railway expense. It instructed the railroads to give this feature their immediate attention. The lines which were operating motor buses refused to reduce their railroad fares so as to encourage the movement of traffic by railroad, and some of such lines have not yet reduced them. On the other hand, the lines which were not engaged in operating motor buses, but were entirely dependent for their earnings upon rail transportation—notably some of the southern lines—immediately reduced their passenger fares, and as a result their earnings from that traffic have subsequently shown a marked increase.

"I will not deal with the administrative provisions of this bill, other than to say that we are opposed to the provisions authorizing the commission to set up joint boards consisting of state commissions. This would, in our opinion, divide the authority, and consequently confusion, delay, and much red tape, instead of efficiency and justice, would result. Our views are that the authority to regulate the motor carriers should be imposed in the commission, and that all the work should be performed by the members or employees of that non-partisan and non-political body.

"As I stated at the outset, we are not opposing reasonable regulation in the interest of those who pay and bear the charges. Hence our plan for such regulation is as follows:

"The commission and the co-ordinator should require the railroads to consolidate their properties, pool their traffic and box-car equipment, and make the numerous other changes suggested in reports of the co-ordinator and the commission. Moreover, the co-ordinator and the commission should complete at the earliest date possible the system of cost-finding for railroad transportation, and then require the railroads to adjust their rates with respect to the cost of performing the service. In the meantime, Congress should, in our opinion, enact the minimum of regulation to govern the motor carriers. It should place the authority to regulate such carriers in the commission. Our views are that it would be enough for Congress merely to provide (a) that the motor carriers should publish and file their rates with the commission; (b) that they should be compelled to adhere strictly to their published rates; (c) that such carriers should procure and carry public-liability and property-damage insurance; also cargo and COD insurance or bonds.

"In the meantime, the commission, in conjunction with other departments of government, should be instructed to conduct an investigation into the cost of motor transportation. When it has disposed of the railroad question in the manner above stated, the commission should then require the motor carriers to adjust their rates with respect to their costs of performing the service.

"In that manner, if ever, we shall reach the Utopia of transportation which Mr. Eastman has termed 'co-ordination.' However, such co-ordination will be on a sound basis; namely, the relative costs of the two forms of transportation in performing the services, as distinguished from an arbitrary method. This will, in my mind, produce three zones of operation. The first, for the shorter distance, will be that in which the motor-vehicle services and rates are the most efficient and economical. The second zone will be that in which the motor service is the most efficient, but in which the rates of such carriers are somewhat higher than the rail rates for their slower service. The third zone will be that in which the rail service and rates are the most efficient and economical. In this way only, to our mind, will the interest of the public be fully protected.

"There is still another and potent reason why the problem should be approached from this angle. It would be an incentive for both rail and motor carriers to make research, so as to increase their efficiency and reduce their costs. By so doing, the art of transportation would not stand still, but each form would be striving to make new improvements, so as to increase the scope of its operations. The public, we submit, would profit by such action. On the other hand, a monopoly such as would result from the enactment of the proposed legislation would leave no incentive for the march of progress in the transportation of the nation."

REDUCED RATES ON IMPORTED MEATS DENIED

APPLICATION FOR LOWER CARLOAD RATES ON IMported frozen meats has been denied by the Trans-Continental Freight Bureau.

This application was protested by the American National Live Stock Association, on the ground that facilitating the movement of imported frozen meats in this country would invite added imports of that commodity.

THE MARKETS

LIVE-STOCK MARKET IN FEBRUARY

BY JAMES E. POOLE

CHICAGO, ILL., March 1, 1935.

WINTER LIVE-STOCK MARKETS HAVE BEEN NOTOriously erratic. Out-of-line trading conditions have been conspicuous. Live-mutton trade has been a distinct laggard; trade in cattle, somewhat spectacular. Killers have consistently resisted making new, even-money "tops," on the theory that tops exert a "pull" on cheaper grades. The cattle top jumped from $13 to $13.95 without a serious setback, stopped there, and backed up to $13.75. Hogs, after sticking in a rut all winter, broke away from a stereotyped top, pivoting around $8, and soared to $9.50 late in the month. The lamb market refused to budge, $8.50 to $8.75 taking a large proportion of the crop. February was a month of short beef tonnage and dearth of hog product, but enough lambs to go around were always available. Total tonnage of all meats for the month was the smallest in many years, giving killers trouble in taking care of their trade.

Quality and Condition Dominant Price Factors

Choice cattle, selling from $13 up, comprised the short end of the run, heavy bullocks, with which the market was glutted a year ago, disappearing at times. Heavy butcher hogs were also scarce, but neither in cattle nor in hogs was weight the price-making factor—quality and condition dominating. However, weight got a slight premium solely by reason of scarcity. Heavy lambs were not penalized, as is customary during the winter season. Killers complained of "bad figuring," deficient yields being the rule.

Coolers Cleared Each Week

That time-honored bogey of the trade—"minus margins"—was invoked, becoming an anvil chorus at times when the market went against the buying side. At intervals, killers were on a semi-starvation basis, coolers clearing at the end of each week, in striking contrast to burdensome production a year ago. Common cattle received a strong play, indicating consumer demand for low-cost beef. Demand for light hogs —200 pounds down—reflected urgent fresh-meat demand. Early in the month, low-dressing lambs sold out of line with finished stock, the logical result being to discourage feeders; but this changed later, when high dressers got preference.

Stocker and Feeder Cattle Holding up Well

Stock cattle, especially feeders, followed fat steers, killers and feeders getting into competition on two-way cattle, which went to the country at a range of $7.50 to $8.90 per cwt.—prices that are considered dangerous in view of high feed cost. However, February replacement was far below liquidation, creating probability of a gap in supply later on. Iowa and Nebraska took most of the cattle that went to feed-lots.

High Prices Attract Canadians

A small procession of Canadian cattle—mainly from Alberta—sold in a $7.75 to $11.50 range; another delegation from the Dominion going to Illinois feed-lots. Eastern markets received sporadic consignments of Ontario beef, but the whole package was insufficient to influence prices. Live cattle pay 3 cents per pound duty, and dressed beef 6 cents per pound, Toronto butchers thereby having a distinct advantage in sending ribs and loins to New York, retaining the coarser cuts for local consumption. Practically all the Canadian cattle reaching Chicago showed a shipping margin after paying the duty.

Fat Steers Show Widest Margins

Practically the entire February crop of fat steers and heifers reaching Chicago showed the widest margins between investment cost and selling prices in trade history, these margins ranging from $4 to $8 per cwt. Apparent profit was, however, offset by high cost of gains, ranging from 16 to 20 cents per pound; such gains being enhanced by expensive roughage and difficulty in securing it locally. Advertising such margins—and the metropolitan press was lusty on the subject—created an erroneous impression that beef-making was an avenue to wealth; ignoring the fact that comparatively few feeders had been in a position to profit by the opportunity, and that the interest penalized was the commercial breeding arm of the industry. Exploitation of this character undoubtedly had the effect of creating an impression in consumer psychology that beef prices had attained a prohibitive level, detrimental to the commodity. Consumers resorted to various buying tactics, such as taking the product of common steers, cows, and heifers; also putting a premium on offal. Sales drives were suspended by chain stores, wholesalers and retailers adopting a take-care-of-regular-trade policy.

Cost of Feed Tending to Empty Feed-Lots

All weights, from light yearlings to heavy bullocks, sold in the upper brackets—$13 to $13.95—and from a quality standpoint were cheaper on the hooks than either intermediate or common steers. Killers had access to few decent steers under $8, but scrambled for bovine trash—even $6.50 to $7.50 nondescripts and dairy-bred steers. Owing to cost of both concentrates and roughage, the winter crop of cattle was sent

to the butcher short of weight and in deficient condition, attractive margins drawing steers to market, feed cost accelerating the movement in that direction. In the trans-Missouri area this policy was general, "pulpers" reporting thirty days in advance of the usual time. This process evacuated hundreds of feed-lots thirty days in advance of the usual schedule, delivering at the market a large percentage of steers selling at $10.50 to $12.50 per cwt. Many feeders were suspicious of continuance of the performance, but the chief liquidating influences were scarcity and cost of feed, on the one hand, and profits, on the other.

Canners Share in Advance

Female cattle followed the advance in steers, heifers leading the procession. In fact, the latter were out of line with steers, owing to popularity of light beef. Warmed-up heifers, selling in the $7.50 to $11 range, frequently showed even wider margins than steers. Cows, realizing $5 to $9.50 per cwt., doubled in value, compared with the bargain sale last fall. Even the canner and cutter class went on the $2.75 to $4.25 basis when the dairy sections quit culling herds for the winter. But for a steady procession of dairy cows tested for Bang's disease, cow beef would have been scarce, as few western cows went on feed last fall. Frozen-beef owners fed that product into distributive channels in minute quantities at substantial profits, in response to clamor for "something cheap."

Killers Unsuccessful in Effecting Lasting Breaks

Killers played a strong poker hand, such bluffing enabling them to save money at intervals; but, whenever they effected a decisive break, the country promptly responded by reducing supply; whereupon they indulged in a scramble to refill empty coolers. Killing gangs were reduced. Even then it was necessary to pay butchers standing time for lack of cattle to fill out.

Present Beef Scarcity to Continue

February cattle trade marked a passage from beef plenitude to scarcity, with no prospect of immediate relief, as a new crop of corn must be made before normal beef production is resumed. A crop of calves, acquired by feeders last fall, is coming along, but will not be ready for several months; and a package of light cattle, taken on last fall for winter roughing purposes, will be turned out on grass a few weeks hence, many of these cattle having been inadequately nutritioned during the winter, in an effort to hold cost down. A few straggling droves of long-fed steers are on the horizon, but they will soon disappear.

Hogs in Belated Rise

A belated upturn in the hog market during February marked prices up about $1.50 per cwt., incidentally establishing the highest level since October, 1930. At the end of the month, average cost was above $9 at Chicago—a level that will mean $11.25 per cwt. to packers, although this will be still out of line with the basis on which good steers are selling. As to the why and wherefore of the advance, no difference of opinion is possible, as the drought did it. Without debating efficacy of the corn-hog control program, the fact is indisputable that the 1934 pig crop was dissipated early and at light weight, because feed was not available for maturing purposes. When dissipation had run its course, supply was cut in two, and, after one of the most stubborn struggles on record, the market evaded control, in a scramble for cooler replenishment. Country-buying packers ransacked every nook and cranny of the Corn Belt for hogs, California buyers went east almost to the Mississippi River in quest of meat, and, at eastern markets, supply was woefully short. A vast and previously prolific hog-raising territory between the Missouri River and the Rocky Mountains all but retired from production, southern Iowa and northern Missouri yielded the shortest crop of hogs in years, and elsewhere, even in areas where corn was a fair crop, tonnage was deficient. Cattle feeding-lots were emptied early, hogs going to market with steers, and each short run at the central markets put prices a notch higher, reactions being as rare as they were promptly effaced. Live hogs were shipped from eastern Iowa to Los Angeles, which never happened before, and stocks in packers' cellars were raided during a normal period of accumulation. Indicative of depleted breeding herds was a sparse delegation of females at the market, pregnant sows totally disappearing. Simultaneously the pure-bred hog business, which passed into eclipse when the processing tax went on, staged a revival.

Short Hog Supply Generating Alarm Among Processors

Late in February, top hogs jumped from $9 to $9.50 in a few days, as supply was cut 40 per cent, compared with the corresponding period of 1934; average cost advancing to $9.20. Even at the advance, killers were unable to get enough hogs to satisfy urgent fresh-meat requirements. Trash, that previously went begging, acquired a dependable trading basis, a spread of $8.50 to $9.50 taking practically the entire crop, weighing anywhere from 140 to 350 pounds. February slaughter will be about 30 per cent less than last year, based on numbers, and much less when recorded in pounds of pork, and the visible supply is small enough to generate alarm in processing circles. Acute scarcity will be due when the season for marketing fall-farrowed shoats comes around along about midsummer. By next fall, storage will be empty.

Lamb Trade Makes Feeble Display

Live-mutton trade has been a distinct disappointment to feeders, who have not been able to get cost of gains most of the winter. Expectancy of a $9 to $9.50 market through February did not materialize, despite scarcity and high cost of other meats. Instead of pivoting around $9, the line between

high-dressing and other fed lambs was $8.50, a large share of the crop selling at $8.50 to $8.75. Although hoof prices were about $1 per cwt. lower than at the corresponding period of 1934, wholesale dressed prices were about $1 per cwt. higher, the only explanation for the discrepancy being low yields and a dormant wool market, which scaled down pelt credits. Another demonstration was made of the fact that dressed-lamb trade is not on speaking terms with other phases of the meat market, that the outlet for ovine product is narrow and fairly well defined, and that consumers will buy common bovine and porcine product at exaggerated prices, while neglecting good lamb and mutton at actually less money. Fat sheep at $4.50 to $5.25 were scarce; otherwise the prices would have been impossible.

Only Short-Term Feeders Making Money

As February advanced, the lamb market displayed a feeble undertone, to the dismay of Colorado and Nebraska feeders, who held stuff back in expectation of action similar to that of last winter. Short-term feeders who cashed early, thereby cutting off the feed-bill, made any money that was bagged on the winter crop, as at that time killers discriminated against condition—a habit they abandoned late in February, owing to the large percentage of light-fleshed lambs in the crop. Gains cost feeders $10 to $12 per cwt. all winter, so that few of them recovered the board-bill. Had wool sold as high as a year ago, lambs would have realized $1 per cwt. more, and, in that event, feeders would have made a little money. Late in February the lamb market was adversely affected by official reports of heavy holdings in Colorado and Nebraska feed-lots, and a promised early movement from the San Joaquin and Sacramento Valley sections of California. Iowa practically cleaned up during February, but Wisconsin was still well supplied early in March.

Contract Feeding Disastrous

A considerable number of western lambs, sent from the Northwest to Iowa last fall on feeding contracts, was evacuated during February, the bulk going to Michigan and other feeding areas east of Chicago to be conditioned; this marking the final stage of a disastrous experience, both for commercial breeders on the range and for farmers who undertook to finish them on such scenery as Iowa affords—an outcome that will put a crimp in contract feeding next fall. Eastern feeders were always in the market for thin lambs, paying anywhere from $5.50 to $7.50—an operation that savors of gambling when feed cost is reckoned with. Denver will make the lamb market until late March, when California will be the determining factor.

GOVERNMENT STOCKS A DEPRESSING ELEMENT IN HIDE MARTS

J. E. P.

HIDES ARE IN STRONG POSITION, CONSEQUENT ON reduced slaughter. The government holding of several million pieces is not to be forgotten, as it must go into circulation at a not distant date; but the leather market is healthy, and packers are disposed to consider current take-off as good property. Packer steer hides are selling at anywhere from 8½ to 11½ cents; cow hides, at 8½ to 9 cents. Few country hides are available, quotations ranging from 5 to 7½ cents.

Packers are "taking the market" for their hides, occasionally shading prices a half-cent to get a clearance. Some of this business is on account of their own leather subsidiaries, which will get inventory profits, if any money of that kind accrues. All the annual reports of leather concerns are optimistic on the subject of inventory profits.

Harness leather is dull, probably because of shortage of equine stock to use it. An enormous winter demand for tractors emphasizes horse scarcity. Corn Belt farmers are getting profitable prices for such horses as they are selling. Low-cost shoes are selling readily, and stocks of leather are not heavy.

Government hides are viewed with concern by the trade, as they may be eased into the market at any time. Consensus of opinion is that this holding has been, and will be, against the price as long as it figures in the visible supply. Foreign hides must also be reckoned with, as they exist wherever cattle grow, and the present duty will not keep them out.

WHOLESALE MEAT PRICES

WHOLESALE PRICES ON WESTERN DRESSED meats at Chicago on March 1, 1935, compared with February 1, 1935, and March 1, 1934, were as below (per 100 pounds):

FRESH BEEF AND VEAL

	Mar. 1, 1935	Feb. 1, 1935	Mar. 1, 1934
STEER (700 lbs. up):			
Choice	$18.50-19.50	$17.50-18.50	$ 8.00- 9.00
Good	17.00-18.00	16.00-17.50	7.00- 8.00
STEER (500 to 700 lbs.):			
Choice	17.50-19.00	16.00-18.00	9.00-11.00
Good	15.50-18.00	14.50-17.00	8.00-10.00
YEARLING STEER:			
Choice	17.00-18.00	16.00-17.50	10.50-11.00
Good	15.50-17.00	14.50-16.00	9.00-10.00
COW:			
Good	12.00-13.00	11.00-12.50	6.50- 7.00
VEAL:			
Choice	14.50-15.50	13.50-15.00	10.00-11.00
Good	13.50-14.50	12.50-13.50	9.00-10.00

FRESH LAMB AND MUTTON

LAMB (45 lbs. down):			
Choice	$17.50-18.00	$16.00-17.00	$15.00-16.00
Good	16.00-17.00	15.00-16.00	14.50-15.50
MUTTON:			
Good	10.00-11.00	10.00-11,00	7.00- 8.00

FRESH PORK CUTS

LOINS:			
8-12 lb. average	$20.00-21.00	$15.50-17.00	12.00-13.50

LIVE STOCK AT STOCK-YARDS

APPENDED ARE TABLES SHOWING RECEIPTS, SHIPments, and federally inspected slaughter of live stock at sixty-two markets for the month of January, 1935, compared with January, 1934, and January averages for the five years 1930-34:

RECEIPTS

	January 1935	January 1934	Five-Year Averages, 1930-34
Cattle*	1,307,592‡	1,145,133	1,041,497
Calves	581,301‡	508,283	458,550
Hogs	2,421,815	4,244,991	4,244,604
Sheep	1,748,769	1,819,943	2,035,066

TOTAL SHIPMENTS†

	January 1935	January 1934	Five-Year Averages, 1930-34
Cattle*	473,281	386,849	404,089
Calves	176,019	150,612	139,917
Hogs	763,770	1,219,706	1,448,967
Sheep	719,608	693,009	853,433

STOCKER AND FEEDER SHIPMENTS

	January 1935	January 1934	Five-Year Averages, 1930-34
Cattle*	169,120	129,015	150,436
Calves	29,398	36,248	30,113
Hogs	30,105	41,193	37,714
Sheep	151,243	110,924	130,621

SLAUGHTERED UNDER FEDERAL INSPECTION

	January 1935	January 1934	Five-Year Averages, 1930-34
Cattle*	977,018‡	831,356	....
Calves	511,523‡	471,222	....
Hogs	3,047,033	5,390,940	....
Sheep	1,344,636	1,406,646	....

* Exclusive of calves. † Including stockers and feeders.
‡ Includes cattle and calves purchased for Federal Surplus Relief Corporation.

COMPARATIVE LIVE-STOCK PRICES

BELOW ARE FIGURES SHOWING PRICES ON THE principal classes and grades of live stock at Chicago on March 1, 1935, compared with February 4, 1935, and March 1, 1934 (per 100 pounds):

	Mar. 1, 1935	Feb. 4, 1935	Mar. 1, 1934
SLAUGHTER STEERS:			
Choice (1,100 to 1,500 lbs.)	$13.00-13.90	$12.50-13.65	$5.75- 7.35
Good	10.00-13.25	10.00-12.50	4.75- 6.50
Choice (900 to 1,100 lbs.)	12.50-13.75	12.00-13.50	7.00- 7.50
Good	9.50-13.00	9.50-12.50	6.25- 7.00
Medium (900 lbs. up)	8.25-10.25	7.25-10.50	4.75- 6.25
FED YEARLING STEERS:			
Good to Choice	9.50-13.00	9.25-12.75	6.25- 7.50
HEIFERS:			
Good to Choice	9.25-12.00	8.50-11.50	5.00- 6.75
COWS:			
Good	6.50- 9.25	5.50- 7.75	3.75- 4.25
CALVES:			
Good to Choice	7.00-10.50	6.00- 9.50	4.00- 5.50
FEEDER AND STOCKER STEERS:			
Good to Choice	6.25- 9.00	5.75- 8.50	4.50- 5.75
Common to Medium	5.00- 6.25	4.75- 6.00	3.25- 4.75
HOGS:			
Med. Weights (200 to 250 lbs).	9.35- 9.55	7.90- 8.15	4.50- 4.70
LAMBS:			
Good to Choice (90 lbs. down)	8.50- 9.25	8.00- 9.10	9.25-10.25
EWES:			
Good to Choice	4.00- 5.50	3.65- 5.00	4.00- 5.75

LACK OF DEMAND CHARACTERIZES WOOL TRADE

J. E. P.

CONSULTING EXPERTS HAVE NO DIFFICULTY IN reaching definite conclusions as to adverse influences in the wool market. Curtailed clothing requirements, together with excessive use of substitutes, tell the story. Compounding remedies is a more difficult task. Stabilization by the familiar price-pegging process lacks advocates. Stocks are heavy, a new clip is on the horizon, and current consumption is below normal. Washington has gone the limit, even to the extent of anticipating navy and army requirements—a somewhat doubtful remedy for existing evils. Government buying accounted for more than half the wool purchased at eastern concentration points during the latter half of February. Without that prop, the market would have gone to sleep. The purchase was of fine and fine-medium territory wools of the Class V type, worth 55 to 57 cents, clean basis; California wools of similar type, but slightly defective, costing 50 to 52 cents. Other business has been scattered over the entire wool list.

The situation, both here and abroad, is unsettled, buyers showing reluctance to operate until a fairly safe basis has developed. Pending the gold decision, optimists asserted that after rendition the wool market would immediately pick up; but nothing of that nature has happened. Volume has dropped to somewhere between 4,000,000 and 5,000,000 pounds weekly, of which the bulk is government business. There has been no material change in the price basis for several weeks, other than that government-controlled wools have been put on a competitive basis, or substantially so, which naturally has acted as a depressing factor.

Prices of fine descriptions of foreign wool are just about at an export parity; on cross-breds there is a differential of several cents a pound, clean basis, in favor of the domestic. Foreign markets have shown a steadier tendency, about 85 per cent of recent offerings at Australian markets getting buyers. England and Japan have taken the bulk of wool sold in New Zealand and Australia. Good combing wools, equivalent to twelve-month Texas, can be imported from Australia at 73 to 75 cents, clean basis, duty paid—approximately 65 cents parity for good twelve-month Texas wools, or about level with current Boston quotations.

Recent Boston sales were on a 55- to 58-cent clean basis, including New Mexican and Colorado wools. Ohio combing three-eighths wools are quoted at 27 to 28 cents; Ohio-Michigan quarter blood, at 24 cents. Semi-bright low quarters have sold at 19 to 20 cents in the grease,

The manufacturing outlook is obscure; opinion is mixed. Manufacturers are credited with light stocks, but dealers are well supplied, and the country has plenty, especially with a new clip presently to invade the market. The trade is not concealing its concern, incidentally planning a recovery campaign. During the past three decades wool consumption has slumped alarmingly. In 1910 the average adult male consumed eight yards of cloth annually; in 1920, six yards sufficed; and in 1930 he used only four yards, demand contracting further meanwhile. The percentage of wool goods to goods of other materials worn by women has decreased even more sharply in this period than in the case of men. Obviously the case for promoting wool consumption is clearly established.

Cotton, rayon, and silk manufacturers are credited with spending $9,000,000 in publicity over a period of fifteen years, wool-industry expenditures during the same period being only about $750,000. At this juncture, lack of demand may be

attributed, in large measure, to economy on the part of consumers—a phase of which is popular demand for low-cost clothing, involving extensive use of substitutes, which are constantly growing in popular favor.

HOLDINGS OF FROZEN AND CURED MEATS

BELOW IS A SUMMARY OF STORAGE HOLDINGS of frozen and cured meats, lard, poultry, creamery butter, and eggs on February 1, 1935, as compared with February 1, 1934, and average holdings on that date for the past five years (in pounds except as otherwise noted):

Commodity	Feb. 1, 1935	Feb. 1, 1934	Five-Year Average
Frozen beef	102,594,000	51,960,000	47,890,000
Cured beef*	24,604,000	20,988,000	19,150,000
Lamb and mutton	3,809,000	4,183,000	3,381,000
Frozen pork	226,487,000	177,292,000	180,309,000
Dry salt pork*	69,786,000	110,674,000	104,214,000
Pickled pork*	374,600,000	442,438,000	394,079,000
Miscellaneous	109,625,000	71,359,000	74,162,000
Total meats	911,505,000	878,894,000	823,185,000
Lard	112,711,000	168,756,000	90,964,000
Frozen poultry	122,265,000	120,177,000	115,885,000
Creamery butter	18,984,000	75,995,000	44,671,000
Eggs (case equivalent)	1,559,000	1,476,000	1,981,000

*Cured or in process of cure.

MARKET GOSSIP

J. E. P.

WHAT THE TRADE KNOWS AS "READY" CATTLE were never so scarce as at present, not only in the Corn Belt, but in the trans-Missouri winter feeding area. During the last week of February, a Chicago commission house canvassed ninety-seven feed-lots in the best cattle-feeding sections of northern Illinois and eastern Iowa, where usually at that season at least 100 carloads would have been available, to discover that only seven cars were fit to go to the butcher. Other inquiry elicited similar information. The market has been attractive all winter; feeders were skeptical of continuance; margins were wide, and feed-bills high. In some sections, muddy feed-lots started cattle earlier than usual; in others, roughage was not available. As the market was paying relatively more money for short- than for long-fed steers, there was a pronounced tendency to cut off an onerous feed-bill. The rank and file of feeders, contrasting current market conditions with prices paid a year ago, have had difficulty in convincing themselves that the new scale was enduring. They have overplayed so frequently in the past that they decided to hug the safe side, the result being that killers bagged a crop of bad-figuring cattle. More confidence in the future would have carried along 35 to 40 per cent of the warmed-up steers cashed in January and February. Abundance of roughage would have exerted a similar influence. So destitute were many cattle-feeding sections of roughage that $7 per ton was paid for corn silage by feeders, and $5 per ton for fodder. Cars have been bedded for hogs with sand during the winter to conserve straw, and everything edible around farms has been consumed. An Illinois feeder paid freight on two cars of wheat straw from his farm in Manitoba. Every scrap of corn fodder will have disappeared before grass is once more available.

Distributors Hard Put to It for Necessary Supplies

Late in February, beef-distributors engaged in a still-hunt to secure meat wherewith to take care of their trade, the major outfits raiding coolers owned by the smaller fry. In one instance a butcher, handling around 200 head of heifers weekly, found himself with a full cooler on Friday, February 22, when the cattle market was bare and prices popping. While trading with a haggling retailer, a packer representative entered the cooler, detached him with a sign, and asked him if he would take cost, plus $1,500, for his stock. A deal on that basis was made in less time than is needed to chronicle the episode, and within an hour the last pound of beef had disappeared. To such extremity have distributors been reduced in efforts to retain their trade.

Fish to Have Their Inning

Fish interests are on the alert for opportunity to expand their sphere of influence. Not satisfied with their present Friday market, they seek a national fish day—Tuesday. A convention is to be held at Washington at which a display of sea-food will be a stellar feature. Radio publicity is to be invoked in this program, and it is said that government aid will also be sought.

Chain-Store Dictators Becoming Conciliatory

Chain-store meat-buyers are no longer displaying a cock-of-the-walk attitude. For several years they browbeat packers, insisting on special rates, and jobbing around wherever prices were made to suit them. Under new conditions, they have assumed a conciliatory attitude, tending to show deference when they get into a supply pocket. Recently a chain-store buyer telephoned a small packing-plant for a heavy delivery of meat. "We have never been able to do any business with you," replied the packer, "and in this crisis we intend to stick to our regular customers." Chain-store meat drives and leader sales at below-cost prices have disappeared, temporarily at least, to the unconcealed gratification of regular meat-market operators.

Substitutes Benefiting from Meat Scarcity

Domestic economists, who have acquired a permanent place in journalism, are exhuming and revamping their stock of "meatless menus." Their "line" is to portray meat scarcity, prohibitive prices, and possibility of substituting other foods in the family dietary scheme. Lard- and butter-substitute venders are also using yards of newspaper space to push their wares. And, what is more, in most cases they are getting away with it.

Effect of Drought Constantly Spreading

Drought aftermath accumulates, invading constantly widening areas. Railroad live-stock tonnage is affected; trucks have been laid up by the thousand; packing-house pay-rolls are being reduced, adding to the unemployed mob; retail markets will be numerously closed, affecting real-estate rents and employment; and the live-stock markets have been hard hit. Volume—the corner-stone of the packing industry—is shrinking to a point where overhead must be curtailed. And the story is merely at the development stage.

"Bang Cows" Earning Good Money

"Bang cows"—so called because their appearance at the market is the sequence of a test for a disease that affects only the reproductive organs—are making a substantial contribution to winter beef supply. A government appropriation has made this eradication campaign possible. Incidentally it is circulating a large sum in the dairy districts. Unlike the carcasses of tuberculosis-tested cows, which may be condemned to the tank, all or in part, those of "Bang cows" go into the cooler in their entirety. They sell on their beef merits, and, owing to current scarcity of cow product, are earning substantial prices. The purge is making considerable inroads on the dairy-cattle population.

Mild Winter Has Cut Cattleman's Expenses

Nature has been in benign mood all winter, enabling western cattlemen to get through the inclement season at much less expense and with less mortality than anticipated. Hay, after threatening to go to prohibitive figures, is no longer on a famine basis, prices having declined substantially in many localities, while buying in others has all but ceased, at least at the prices. The Corn Belt is already well wetted down, but between the Missouri River and the Rocky Mountains a dry belt still disfigures the humidity map. Iowa and Illinois streams that went dry last summer are now bank-full, feeders in both states complaining of muddy feed-lots.

Canadian Exports as Yet Insignificant

Canadian cattle have been conspicuously advertised since their recent reappearance at American markets, newspapers resorting to customary exaggeration. So far, the Canadian bovine exodus has been insignificant, and, if information from the prairie provinces is reliable, no rush is possible. Our prices are not yet high enough to warrant speculation, no American buyers having hiked to western Canada to gamble in cattle, as no considerable volume is available and incidental expense is onerous. One Toronto packer is sending choice parts of the carcass to New York, but not in sufficient quantities to hurt, although the New York market has recently balked at absorbing choice hindquarters to such an extent as to make transfer to Los Angeles profitable. Nebraska cattle have been sent from Chicago to New York, koshered there, and the non-koshered portions of the carcass expressed to southern California. Killers are not complaining of their trade in koshered forequarters, but assert that they are losing money on choice hindquarter cuts. No longer is the growl about inability to sell coarse meats audible. Tails, shanks, hearts, kidneys, and other offal have the call.

Replacement Cost Worrying Corn Belt

Corn Belt feeders are worrying about prospective replacement cost. Having sold a crop of steers that they had the good luck to grab off a bargain-counter, their future needs are a subject of serious concern. Stock cattle have joined the parade, and will keep abreast. The whole Corn Belt is short of cattle, as will be discovered when grass rises. Unless the chinch-bug impairs the corn crop, clamor for cattle will agitate the ambient atmosphere when corn-snapping time comes around next October. Consequent on the drought, so-called native cattle were closely gathered, and many cows went with them. Feeders cannot expect another bargain sale in the stocker alleys next fall. In fact, the great majority realize what they are up against. A few have hedged by taking on western cows when they were cheap, but commercial breeding long since proved not to be a game for the Corn Belt, except on a limited scale.

Sows at Last Getting Their Chance

Brood sows are also scarce and in demand. Purebred men, who were unable to get a bid for months, are now doing a land-office business. At farm sales, pregnant sows are realizing $40 to $45 a head; 200-pound gilts are worth $10 per cwt. Sows have been marketed closely, as their progeny did not pay board-bills, not-growing hogs being the most profitable branch of the industry. None of the statistics available disclose the exact status of the hog population, but that it has shrunk very materially is beyond question.

General Acclaim for Government Purchase Program

Government cattle and sheep have disappeared from market records. This is one phase of the New Deal that has elicited no criticism, being generally recognized as an imperative job. Such meat as the enterprise yielded has gone a long way toward feeding the indigent element during the winter, although a legacy of hides and wool hangs over those markets, owing to uncertainty of ultimate disposal.

Lard and Oils at High Levels

A gamble in lard has put the price of that commodity far above cost of live hogs, which has always been the figuring basis. Yields have been light all winter, but lard has so many competitors that its position is somewhat dubious. The new situation is making money for the "little brown brother" in the Philippines, and is stripping every copra-yielding nut in the South Sea Islands. An idle whaling fleet has been rehabilitated and sent to sea, so that depleted whale-oil stocks will be promptly restored. Europe took on a huge package of lard when that commodity was on a bargain-counter, but has practically deserted the American market recently.

California Has Large Lamb Crop

Eastern packers were in the California lamb-contracting sphere early this year, paying 10 cents for March 1 to 15 delivery, 8½ to 9 cents for March 15 to April 15, and 8½ cents on subsequent deliveries. The San Joaquin and Sacramento Valleys have raised the largest and best crop of spring lambs in half a decade, and, as both Colorado and Nebraska have delayed loading to nurse an invalid market, an overlap is certain. Last year, packers did not get into the Pacific-coast sphere until the middle of March, their eagerness, with prices they are paying, creating an impression that the spring-lamb market will be substantially higher. The long end of the Cali-

fornia crop this year will be ripe for the meat-rail; last year, feeders secured a large slice.

Poultry Boom Impends

A boom in the poultry business impends as a result of reduced beef and pork production. The AAA program has so far ignored poultry—always a popular food. Signers of corn-hog contracts are planning to increase farm revenue by the incubator route. Hatchery spindles are full of orders for day-old chickens, farm incubators have been rehabilitated, and poultry-farm ventures are multiplying. Packers, figuring on a cut of 20 to 25 per cent in meat volume, are encouraging poultry production, which has developed into a major phase of their operations.

Argentina to Increase Live-Stock Growing

Argentina proposes to increase live-stock production in order to utilize its increased supply of corn and other feeds.

FEEDSTUFFS

COTTONSEED CAKE AND MEAL ON MARCH 6 WERE quoted at $35.25 a ton, f. o. b. Texas points. Omaha hay prices on March 4 were as follows: Alfalfa—choice leafy, $23; No. 1, $21.50 to $22; standard leafy, $21 to $21.50; standard, $21; No. 2, $20; No. 3, $19; sample, $12 to $15; upland prairie—No. 1, $23; No. 2, $21 to $22; No. 3, $17 to $19; sample, $16; midland prairie—No. 1, $20; No. 2, $18 to $19; sample, $15 to $16; mixed hay—No. 1, $23; No. 2, $21; No. 3, $17 to $19.

COMMERCE IN AGRICULTURAL PRODUCTS

EXPORTS AND IMPORTS OF LIVE STOCK, MEAT products, animal and vegetable oils and fats, hides and skins, wool, and grain from and into the United States for the calendar year 1934, as compared with 1933, are given below. It is interesting to note that our imports of edible animal oils and fats advanced from a hundred thousand to one and three-fourths million pounds. However, the excise tax has had an effect on the importation of copra, much of which became subject to the 5-cent impost during the latter half of 1934. Imports of this commodity decreased approximately 40 per cent. Coconut oil, on the other hand, coming entirely from the Philippine Islands and subject to only a 3-cent tax, practically maintained its 1933 volume:

LIVE ANIMALS

(Numbers)

EXPORTS

	1934	1933
Cattle	15,655	2,912
Hogs	3,052	14,207
Sheep and goats	18,302	676
Horses	1,900	626
Mules, asses, and burros	3,701	2,652
Totals	42,610	21,073

IMPORTS

	1934	1933
Cattle	64,539	79,978
Sheep and goats	1,496	1,114
Horses	3,899	3,125
Totals	69,934	84,217
Hogs (pounds)	1,601	6,470

MEAT PRODUCTS

(Pounds)

EXPORTS

	1934	1933
Beef and veal, fresh	5,470,986	2,899,681
Beef and veal, pickled	13,940,031	12,733,869
Horse meat	2,007,742	2,695,159
Mutton and lamb	593,586	321,129
Pork, fresh	36,757,287	14,410,452
Pork, pickled	18,385,024	16,608,460
Bacon	18,182,025	20,397,046
Cumberland and Wiltshire sides	438,580	1,192,661
Hams and shoulders	65,103,993	78,579,479
Poultry and game, fresh	2,299,644	2,428,916
Sausage	2,450,398	2,631,705
Canned meats	16,377,812	13,498,662
Total meat products	182,007,108	231,440,594

IMPORTS

	1934	1933
Beef, fresh	140,474	320,775
Veal, fresh	3,204	56,974
Pork, fresh	127,746	538,730
Mutton, fresh	577	9,560
Lamb, fresh	4,461	5,891
Other fresh meats	278,338	579,367
Poultry, fresh	471,379	462,395
Poultry, prepared	298,826	297,555
Canned meats	46,777,875	43,024,989
Beef and veal, cured	823,613	657,818
Hams and bacon	968,869	1,698,677
Pork, pickled	484,373	688,110
Other prepared meats	....	4,805
Total meat products	65,051,379	62,474,911

WOOLS

(Pounds)

EXPORTS

	1934	1933
Wool and mohair, unmanufactured	119,305	19,312

IMPORTS

	1934	1933
Wool and mohair, unmanufactured	109,395,881	178,927,605

EDIBLE ANIMAL OILS AND FATS

(Pounds)

EXPORTS

	1934	1933
Lard	431,237,367	579,071,641
Neutral lard	3,654,323	5,106,701
Oleo oil	20,713,216	33,782,609
Total animal oils and fats	473,554,594	640,023,187

IMPORTS

	1934	1933
Edible animal oils and fats	1,723,261	99,928

VEGETABLE OILS AND FATS

(Pounds)

EXPORTS

	1934	1933
Coconut oil	1,256,107	818,689
Cottonseed oil	6,186,831	9,291,861
Soybean oil	2,040,127	1,569,030
Corn oil	1,314,066	1,026,000
Cocoa butter	4,346,341	2,119,628
Cooking fats	2,180,565	2,601,935
Other oils and fats	845,343	735,833
Totals	18,169,380	18,162,976

IMPORTS

	1934	1933
Copra	399,233,969	660,871,821
Coconut oil	314,802,433	316,078,135
Linseed oil	2,766,152	11,257,148
Sesame seed	22,326,538	42,630,809
Palm kernels	8,509,404	14,918,052
Palm-kernel oil	12,752,147	12,956,877
Palm oil	155,530,876	287,482,836
Soybean oil	2,828,523	3,669,048
Sunflower-seed oil	9,823,603	23,849,341
Corn oil	10,681,439	9,168,786
Peanut oil	2,722,383	1,317,828
Totals	941,977,467	1,384,200,681

HIDES AND SKINS

(Pounds)

EXPORTS

	1934	1933
Cattle hides	35,273,281	17,180,853
Calf and kip skins	10,874,134	5,102,763
Sheep and goat skins	1,807,063	1,703,496
Others	4,123,578	3,510,248
Totals	52,078,056	27,497,365

IMPORTS

	1934	1933
Cattle hides	66,558,521	139,878,640
Buffalo hides	636,758	279,080
Indian water-buffalo hides	887,739	705,142
Kip skins	6,385,599	12,885,657
Calf skins	11,467,744	31,845,943
Horse, colt, and ass hides	5,964,522	11,761,879
Sheep and lamb skins	35,284,709	51,536,394
Goat and kid skins	64,874,155	79,340,252
Kangaroo skins	541,535	1,003,931
Deer and elk skins	2,160,506	1,973,526
Reptile skins	1,557,675	1,448,653
Others	4,450,869	7,320,623
Totals	200,770,332	339,979,720

GRAIN

(Bushels)

EXPORTS

	1934	1933
Barley	5,446,944	7,142,285
Buckwheat	58,239	5,073
Corn	2,987,419	5,364,642
Oats	141,335	1,475,692
Rye	5,647	39,871
Wheat	16,968,589	8,883,339
Totals	25,608,173	22,910,902
Wheat flour (barrels)	4,163,325	3,963,615

FOREIGN

LIVE-STOCK INTERESTS IN AUSTRALIA

BY A. C. MILLS

[*Special Correspondence to The Producer*]

MELBOURNE, January 30, 1935.

DELAY IN THE APPEARANCE OF NORMAL SUMMER monsoonal rains over much of northern Australia has been causing stock-owners in those parts anxiety. In many large districts feed has become scarce, and though losses have been insignificant to date of writing, a continuance of the droughty conditions may prove serious.

The growing scarcity of feed in the north revives the problem of deterioration of pastures, its cause, and a remedy. Overstocking is usually blamed. Beyond doubt, much of the pastoral country does appear to be overstocked in dry times, but it is open to question if many important areas carry more than their capacity in a normal or good season. Capital values are so high, and the economic pressure such, that owners cannot do otherwise than put on as much stock as the country can safely carry when the going is good. Unfortunately, as the records of the past few seasons show, really good spells in the north have been of relatively short duration, and consequently the heart of the country has, in too many instances, been to some extent eaten out. Absolute resting seems to be the natural remedy, but hardly any individual can afford to throw the bulk of his holding out of production these hard times.

Top-dressing with superphosphates and fodder conservation are the obvious counters to the call for increased production in the southern areas, where the rainfall is more reliable. Geographical isolation, and the incidence of summer rainfall, put top-dressing out of court for the north, while the scarcity and dearness of labor make it impossible to save the surplus feed of good years for lean times.

Reference was made in my last letter (see the January PRODUCER) to proposals for the pastoral development of the Northern Territory. It now happens that a group of leaseholders on the Barkly Tableland, which comprises what is probably the best pastoral area in the far north, have submitted tentative developmental plans to the federal government. These embody the erection of an up-to-date meat-export plant on the north coast, and, as there is a belt of inhospitable country between the tableland and a port, the provision of motor and barge transport between pasture and meat-works. The idea is to assemble the fat cattle on the borders of the good country nearest the coast, whence they would be rushed by motor some 160 miles to the McArthur River, loaded on barges, and carried another forty miles down-stream to the packing-plant. If everything worked according to schedule, this would enable the cattle to be slaughtered within forty-eight hours of leaving pastures, whereas, under existing conditions of overlanding, it may take anything up to six months for stock to reach the killing-point on the east coast.

Tests have already been made to demonstrate the practicability of transporting chiller steers 160 miles by motor truck over fairly rough tracts, such as would be found in the far north. They were carried out in New South Wales, and, though inconclusive, indicated that cattle can be carried that way with no more bruising than is the case with transport by railway.

It is believed that the syndicate of lessees is asking the federal government to finance the scheme to the tune of $4,870,000, besides granting material concessions in the way of freedom from customs duty on essential materials, such as fencing wire, galvanized iron, water-pipes, and the machinery for the meat-export plant. The general opinion is that, if experts who have been checking up the practicability of the scheme report favorably on it, the government will go quite a long way toward meeting the syndicate. Whether it will go the whole road remains to be seen.

January being the month of minimum supplies, the cattle market is very quiet. The beef-export trade, except for a few small parcels of chilled, is quiescent. Packers have lately been buying occasional lines of chilled steers on a basis of $6 to $6.25 per 100 pounds, cold weight in plants, and that about represents the maximum rates paid by the local butchering trade in the north. The price for lower-grade cattle in Queensland ranges from $5 to $5.75 a hundred.

The live-stock industry throughout Australia is anxiously awaiting a definite pronouncement from Great Britain in respect to its long-term meat-import policy. An agreement in respect to the January-to-March quarter of 1935, which limits deliveries from the Commonwealth in Britain to 450,000 cwt. (of 112 pounds) of mutton and lamb, and 187,000 cwt. of beef and veal, was reached early in January. This has necessitated a temporary cessation of mutton and lamb shipments, but fortunately the beef allowance is sufficiently liberal not to affect exports of that class of meat for the time being. If, however, a limit on arrivals is imposed next quarter, it may restrict operations on this side to a small extent early in the killing season.

Naturally the Australian governments are doing their utmost to prevent any check being placed on the development of the meat-export trade. In this they are receiving the full support of the other dominions concerned in the trade. The immediate policy is now under consideration in London with dominion representatives, and it is assumed that the long-term policy will receive fuller consideration when the Australian Prime Minister reaches England toward the close of March. It is understood in this country that British farmers favor a duty or levy on all beef imported into Great Britain, in addition to a certain limitation in supplies. The purpose of the levy would be to create a fund to subsidize home cattle-producers.

Should it ever come to a choice between a duty or a limitation on imports, the dominions will probably favor the former, provided dominion meat is given a reasonable preference over foreign in the incidence of the imposition. That would simply be a case of choosing the less objectionable of two evils; for it is widely held that in the long run it will be found that part, at least, of the duty, if imposed, will have to be carried by the oversea supplier.

Canada's Home Market

Approximately 85 per cent of Canadian farm produce is absorbed by Canada's home market. With the exception of bacon, the home market has come to be almost the sole outlet for animal products.

THE BULLETIN BOARD

NEW BULLETIN ON ANTHRAX

With the coming of warm weather, the Department of Agriculture calls attention to the best means of preventing losses from the dangerous and frequently fatal disease of anthrax.

The department warns live-stock owners against trying to diagnose the malady by opening the carcass of an animal that is suspected to have died of anthrax. Such a practice is dangerous to the person making the examination, and may also permit anthrax infection to spread. If the disease is suspected, the cause of death should be determined by a qualified veterinarian.

Control of anthrax is of major concern to the live-stock industry, and consists largely in the prompt disposal of carcasses by cremation or deep burial, use of preventive vaccination, and, wherever practicable, fencing of badly infected lands and water-holes, so as to make them inaccessible to live stock.

Cattle, horses, and sheep are most commonly affected, and show a high death-rate. Hogs also acquire the disease, but usually in the chronic form, from which they frequently recover. The infection spreads principally in the feed and water, but the germ may also gain entrance through the skin and respiratory tract. Man also is susceptible, and infection often results in death.

The available biologics for prevention and treatment of the disease are discussed in Farmers' Bulletin 1736-F, "Anthrax," procurable for 5 cents from the Superintendent of Documents, Washington, D. C.

NO SUCH THING AS FREE SEEDS

For twelve years, we are told, the Department of Agriculture has been trying to convince 100,000,000 people that it has no seeds or plants to give away. As spring approaches, thousands of futile requests pour in from farms, suburbs, and penthouses.

Years ago—previous to 1923—there was an annual appropriation for free seeds for congressional distribution through the department. But in 1923 the government decided to discontinue this distribution, since it was only of commercial garden seed, such as could be bought from any good seed-house, and did not necessarily represent varieties better than those in common use. The department neither gives away nor sells seeds or plants.

BOOKLET ON TAYLOR GRAZING ACT

The Taylor Grazing Act, and how it will affect ranchers of Nevada, is dealt with in a bulletin issued by the University of Nevada Agricultural Extension Service. An unofficial transcript of the grazing hearing for Nevada, what the act intends to do, how it developed, and maps showing boundaries of the districts make up the eighty pages of the booklet. It may be obtained free of charge from extension agents in the various counties of Nevada.

ARIZONA PLACE NAMES

Of especial value to those interested in Arizona history and geography is a book entitled "Arizona Place Names," by Will C. Barnes, just published. The scope of the work is comprehensive in its record of names of political divisions (counties, townships, cities, etc.), rivers, mountains, lakes, land grants, forests, forts, trails, and springs, in addition to many smaller and more specialized groups. The author, well known to readers of THE PRODUCER, through training and long-time residence in the state with which he deals, is exceptionally well qualified for the task he has set himself. The book may be obtained from the Librarian, University of Arizona, Tucson. Price $1.50.

CANADIAN REINDEER DRIVE ENDS

Canada's belated Christmas present to her Eskimo population is a herd of about 3,000 reindeer, we read in a press dispatch from Ottawa. After a five-year trek of 1,600 miles across the rim of the Arctic Circle from western Alaska to the Mackenzie River delta, the great drive of reindeer has now reached its final stage. Delivery by the venders of the herd was successfully completed a little over a month ago.

Starting the arduous journey in December, 1929, the herd reached Canadian soil in the spring of 1933. Plans were made to rest the animals during the summer and early fall, in preparation for the seventy-mile dash across the delta of the Mackenzie to the station prepared for them near Kittigazuit. In January, 1934, the crossing was attempted, but, owing to severe weather conditions, the herd stampeded during a blizzard and returned to its grazing-ground near Shingle Point. Quite a number of the herd were lost, but this has been more than made up by the successful fawning season this year. The herd had trouble in crossing the mouth of the Mackenzie, but, with the benefit of the experience gained in the previous effort, the final lap to the station near Kittigazuit was accomplished.

SEED-BUYERS SHOULD BE WARY

False statements as to germination constitute approximately one-half of the charges involved in cases brought under the interstate clause of the Federal Seed Act, according to the Department of Agriculture.

Because of the shortage of many kinds of seeds, considerable seed may be offered this year which has been carried over for one or more years and is low in germination. In addition to this, there is likely to be considerable seed placed on the market which has been imported from other countries or is from other sections of the United States. This situation makes it seem advisable for farmers and retailers of seeds to exercise unusual care in the selection of seeds for the coming spring.

Encouraging.—The new vicar was surprised at the age of the bell-ringer of his church, and mentioned the fact to him.

"Yessir," mumbled the old man. "'Ow many years I've tolled this bell I can't tell ye, but it's beginning to tell on me. 'Owsomever, I've rung the bell for five dear vicars——

"And," continued the old fellow, "I'll be 'appy when I make up the 'alf-dozen. I think I'll retire then."—Answers.

ROUND THE RANGE

GOVERNMENT RANGE AND LIVE-STOCK REPORT

Continuing favorable weather in the western range country during January helped to offset the season's shortage of range and other live-stock feeds. Nevertheless, heavy supplemental feeding has been necessary, according to the report issued by the Denver office of the Bureau of Agricultural Economics. Sufficient moisture is still lacking in many sections.

Condition by states is reported as follows:

Arizona.—Range feed well started in southern areas; stock in good flesh.

California.—Heavy snows in higher areas; warm weather will improve ranges, which already are in good condition.

Colorado.—Snow-covering below normal; continued shortage of hay and feed in eastern and southeastern sections, necessitating considerable concentrate-feeding; live stock holding up well.

Idaho.—Recent moisture will help ranges; except in east, hay supplies are ample; stock thin, but losses have been light.

Kansas (western).—Stock in northwest has subsisted mainly on thistles and shipped-in feeds; southwestern portion short of feed; cattle in weakened condition, with losses only slightly more than normal.

Montana.—Hay and feeds plentiful in west, but scarce in east; moisture and stock water insufficient; cattle holding up well, but thin in eastern drought areas.

Nebraska (western).—Ranges open, permitting full use of feed; losses about normal.

Nevada.—Ranges poor to fair; hay supplies inadequate; losses light.

New Mexico.—Except in west and northwest, ranges are very dry; much feeding has been necessary; stock in good condition, due to mild weather.

North Dakota.—Cold weather has caused some losses; feed and forage situation serious.

Oklahoma.—Freezing weather has seriously damaged wheat pastures; cattle have lost flesh; storms caused some loss.

Oregon.—Hay and feeds short in central and southeastern sections, but ample elsewhere; weather has been favorable, except in eastern dry areas.

South Dakota (western).—Weather generally favorable; feeds inadequate, with some lack of stock water.

Texas.—Much of state suffering from lack of moisture; recent cold wave damaged new feed; cattle have lost flesh; losses heavy in coastal areas during recent freeze; sheep in poor condition.

Utah.—Ranges are poor and lack moisture, except in north; cattle losses have been light; breeding ewes being heavily fed.

Washington.—Snow abundant on high mountains, but little has fallen on low ranges; all ranges in good condition; some live stock shipped in for feeding.

Wyoming.—Snow-covering light, except in west; ranges in poor condition; concentrates being used in many sections of state; live stock holding up well.

REPORTS BY STOCKMEN

Arizona

We have had a very mild winter and stock is doing well.—C. R. CLARK, Concho, February 23.

We are having a fine winter, with some rain and warm weather. If we do not have any more cold weather, the spring range will be fine. Prices are going up, making us all feel fine again.—JOHN P. CULL, Douglas, February 15.

California

Santa Barbara County, California, has brought in about the largest number of feeders in recent years. The feed is the best I have ever seen it at this time of year, and not an acre of pasture is available for lease. If they do not start selling before the beef gets ripe, our grass cattle this season should kill with fed cattle. I look for 10-cent grass steers in the country, if the packers will play ball with us.—ODIN G. BUELL, Buellton, February 25.

Cattle are coming through the winter in good shape. There has been an abundance of rain, and a good snowfall in the high mountains. Prospects for good feed look better than during the past few years.—EUGENE SELBY, Horse Creek, February 7.

Colorado

We have had some snow and cold weather—down to 25 below—but the past few weeks have been fine. Cattle are doing well. All cattle inspected so far were found to be free from tuberculosis. —F. J. EBLER, Rio Blanco, February 4.

Montana

Our winter has been mild, with no snow to prevent stock grazing, and but little cold weather. All cattle and horses are in good condition. Losses have been small.—DAN KELTY, Otter, February 16.

We are enjoying a very mild winter, and all stock is in good shape.—GEORGE M. MUNGAS, Philipsburg, February 12.

Nevada

Ranges were improved with rain and snow, and the ground is well soaked. We ought to have good grass in the spring. Yearlings and dry stuff are in good shape, but cows and calves are very poor. We have had no great loss as yet, because of mild weather.—ALBERT WELCH, Sharp, February 4.

New Mexico

In the plains section (eastern New Mexico) the drought is not broken. About an inch of moisture fell recently. There is no grass, and stock is being fed practically all it is getting to eat. Due

to the extremely mild weather, stock is in fair shape. There is no contracting of any kind.—AMOS D. JONES, Tatum, February 20.

We have had a good winter, but no snow. Range feed is still poor. Live stock is thin, and feed supplies are insufficient to carry it through the winter. We need a good year and some advance in cattle prices.—HENRY ROMERO, Trementina, February 10.

Oregon

Cattle are wintering in good condition, and prospects are for a good grass year. Prices of beef are so much improved that cattlemen here are looking forward to better times.—W. P. VERNON, Lakeview, January 27.

Texas

Conditions look very favorable. We have had good rains, and cattle are looking good. Lots of fat cattle will come out of here in May and June. There are more inquiries and more buyers for steers now than at any time in the last five years. The greatest difficulty seems to be that people do not want to price their cattle—they are holding for higher prices. I have priced mine and sold some of them.—JEFF S. ELLISON, Dilley, February 7.

Washington

This part of the country has had a good winter. Snow came the latter part of November, but weather generally was warmer than usual. About January 13 the thermometer dropped from 30 above to 42 below. This, with a light wind, continued for a week. Since then the weather has been springlike, with a high chinook taking the large bulk of snow off. Stock is wintering as well as usual. We have plenty of feed, but no supplies in the hills. Prices of hay, loose, range from $6 to $12 a ton. Most ranchers sold fairly close on live stock last fall, in spite of low prices. The range outlook is not so good since the chinooks. We need more rainfall than we have had the last few summers.—HUGH THORNTON, Leese, February 15.

RESEEDING PASTURES

Pasture conditions are about normal east of a line drawn from Chicago to New Orleans and west of the Great Plains, but generally very bad in the central states, we learn from the Department of Agriculture. Anything that can be done to help permanent pastures come back should be done. If at all possible, early heavy grazing should be avoided, and emergency pastures of winter- or spring-sown small grains used.

East of the Chicago-New Orleans line, even though pastures are about normal, grain prices remain high. Farmers will lean heavily on their pastures this summer. Dairymen particularly will hurry their cows onto pasture. Pastures will do their best with a top-dressing of about 100 pounds of a nitrogen fertilizer per acre, with 300 pounds of superphosphate, put on as early as possible in the spring, when the grass is dry. The pasture specialist of the department believes 1935 an unfavorable time for most eastern farmers to start new pastures or reseed old ones. Seed of most pasture plants is scarce and expensive. Postponing all unnecessary seedings until conditions are normal will save money.

West of the Chicago-New Orleans line to the 97th meridian, which runs approximately through Grand Forks, North Dakota; Brookings, South Dakota; Lincoln, Nebraska; Witchita, Kansas; Stillwater, Oklahoma, and Dallas, Texas, many pastures that appear dead may come back this spring, especially if fertilized as recommended above. Since there is a surplus of Korean lespedeza and redtop, reseed partially dead pastures as follows: north of southern Iowa and central Illinois—redtop; south to the middle of Arkansas—Korean lespedeza; south of that—common and Kobe lespedeza. This legume gives summer pasture and adds nitrogen to the soil. An emergency hay crop to supplement pastures next fall can be provided with soybeans, seed of which is available in reasonable amounts.

West of the 97th meridian to the Rocky Mountains, where it is still very dry, pastures are largely native grasses. About all that can be done is to protect these grasses from heavy spring grazing. If adequate rains are received later, emergency pastures and hay crops may be seeded.

ELEVEN-MONTH WEATHER CYCLE

Climatologists of the Weather Bureau have discovered a definite eleven-month weather sequence from May's habit of being warm when June of the year before has been abnormally warm. Past records show that every June for which temperatures 5 degrees above normal were recorded was followed the next year by a warm May over most of the Missouri and upper Mississippi Valleys. When June temperatures were 5 degrees or more below normal the sequence still held, with cool Mays.

Beware of Substitutes.—An ambitious young man heard of the death of the junior partner of a big firm. He rushed into the office of the firm and cried:

"How about my taking your partner's place?"

"Excellent!" exclaimed the senior partner. "If you can fix it with the undertaker."—Tit-Bits.

SHIP

YOUR STOCK

TO

CHICAGO

THE

LIVE STOCK MARKET

OF THE WORLD